and paid per annum upon the entire net income of such corporation, joint-stock company, or association arising or accruing from all sources shall be as follows:

A. If its production or sale be one-quarter and less than one-third of the total amount of any line of production, its annual tax shall be five times the normal tax hereinbefore imposed, to wit, 5 per cent.

B. If its production or sale be one-third and less than one-half of the total amount of any line of production, its annual tax shall be ten times the normal tax hereinbefore imposed, to wit, 10 per cent.

C. If its production or sale be one-half or more of the total amount of any line of production for the whole country, its annual tax shall be twenty times the normal tax hereinbefore imposed, to wit, 20 per cent on its entire net income accruing from all sources. The words "line of production" above used shall be construed to mean any particular article or any particular commodity, or to mean any class of articles or commodities ordinarily manufactured in conjunction with each other from the same or similar materials; but no line of production shall subject a corporation to any additional tax imposed by this paragraph unless said line of production amounts to at least $10,000,000 a year, nor shall this additional tax provided for in this paragraph apply to corporations, joint-stock companies, or associations employing less than $50,000,000 capital represented by stock or bonds, or both. In the levying and collection of the tax authorized in this paragraph the findings of the Secretary of Commerce as to the annual production and sale by corporations, joint-stock companies, or associations shall be taken as prima facie evidence; and whenever those findings show that a corporation, joint-stock company, or association controls one or more other corporations, joint-stock companies, or associations, directly or indirectly, the same line of production of the subsidiary concern shall be added to that of the controlling concern; and whenever it appears that two or more corporations, joint-stock companies, or associations have stockholders in common to the extent of 50 per cent in either, each shall pay the rate of tax that would be levied if the two concerns were united and their product combined.

Mr. WILLIAMS. If the Senator from Nebraska wants to be heard upon this amendment, as I apprehend is the case——

Mr. HITCHCOCK. Yes, sir; it is.

Mr. WILLIAMS. It is 6 o'clock now, and I will yield for a motion to go into executive session.

EXECUTIVE SESSION.

Mr. HITCHCOCK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 8 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 29, 1913, at 11 o'clock a. m.

## NOMINATIONS.

*Executive nominations received by the Senate August 28, 1913.*

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

Henry Morgenthau, of New York, to be ambassador extraordinary and plenipotentiary of the United States of America to Turkey, vice William Woodville Rockhill, resigned.

COLLECTORS OF CUSTOMS.

Zach L. Cobb, of Texas, to be collector of customs for the district of El Paso, in the State of Texas, in place of Alfred L. Sharpe, resigned.

Frank Rabb, of Texas, to be collector of customs for the district of Laredo, in the State of Texas, in place of James J. Haynes, resigned.

AGENT AND CONSUL GENERAL.

Olney Arnold, of Rhode Island, to be agent and consul general of the United States of America at Cairo, Egypt, vice Peter Augustus Jay.

MINISTER RESIDENT AND CONSUL GENERAL.

George W. Buckner, of Indiana, to be minister resident and consul general of the United States of America to Liberia, vice Fred R. Moore, resigned.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate August 28, 1913.*

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. George B. Landenberger to be a lieutenant commander.

Lieut. (Junior Grade) Herndon B. Kelly to be a lieutenant.

Theodore W. Johnson to be a professor of mathematics.

Carlos V. Cusachs to be a professor of mathematics.

Arthur E. Younie to be an assistant surgeon in the Medical Reserve Corps.

Walter C. Espach to be an assistant surgeon in the Medical Reserve Corps.

John F. X. Jones to be an assistant surgeon in the Medical Reserve Corps.

POSTMASTERS.

IOWA.

E. R. Ashley, Laporte City.
Henry F. Eppers, Montrose.
Anton Huebsch, McGregor.
Ben Jensen, Onawa.

NORTH DAKOTA.

Frank Lish, Dickinson.
V. F. Nelson, Cooperstown.

OHIO.

E. E. France, Kent.
James P. Stewart, Niles.

TEXAS.

Lon Davis, Sealy.
W. T. Hall, La Porte.

WEST VIRGINIA.

J. L. Butcher, Holden.

## SENATE.

FRIDAY, *August 29, 1913.*

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. SIMMONS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

GOODS IN BOND.

The VICE PRESIDENT. The Chair lays before the Senate a communication, which will be read.

The Secretary read as follows:

TREASURY DEPARTMENT,
*Washington, August 27, 1913.*

The PRESIDENT OF THE UNITED STATES SENATE.

SIR: I have the honor to acknowledge receipt of a copy of a Senate resolution under date of the 21st instant, requesting, for the use of the Senate, certain information relative to goods held without the payment of duty in warehouse now and at the same time in the year 1912.

In reply I have to advise you that similar information with respect to goods in warehouse August 1, 1912, and August 1, 1913, was forwarded to you under date of August 21, 1913, in compliance with a resolution of the Senate of August 1, 1913.

The figures, if compiled on goods in warehouse August 21, would probably differ but little from those furnished you computed on goods in warehouse under date of August 1, and it would take some time to compile them. In view of the matter, I have to request to be informed whether data similar to that given in my letter of August 21, as of August 1, is desired brought down to August 21.

Respectfully,

W. J. MCADOO, *Secretary.*

The VICE PRESIDENT. The communication will lie on the table.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (S. 1620) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, and it was thereupon signed by the Vice President.

CALLING OF THE ROLL.

Mr. KERN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Fletcher | Norris | Smith, Md. |
| Bacon | Gallinger | Oliver | Smith, S. C. |
| Bankhead | Hitchcock | Page | Smoot |
| Borah | Hollis | Penrose | Sterling |
| Bradley | Hughes | Perkins | Stone |
| Brady | James | Pittman | Sutherland |
| Brandegee | Johnson | Pomerene | Swanson |
| Bristow | Jones | Robinson | Thomas |
| Bryan | Kenyon | Root | Thompson |
| Chamberlain | Kern | Saulsbury | Townsend |
| Chilton | La Follette | Shafroth | Vardaman |
| Clapp | Lane | Sheppard | Walsh |
| Clark, Wyo. | Lea | Sherman | Warren |
| Colt | Lodge | Shields | Weeks |
| Crawford | McCumber | Shively | Williams |
| Cummins | McLean | Simmons | Works |
| Dillingham | Martin, Va. | Smith, Ariz. | |
| Fall | Martine, N. J. | Smith, Ga. | |

Mr. McCUMBER. I again announce the necessary absence of my colleague [Mr. GRONNA].

Mr. TOWNSEND. The senior Senator from Michigan [Mr. SMITH] is absent from the city on important business. He is

paired with the junior Senator from Missouri [Mr. REED]. I desire this announcement to stand for all roll calls to-day.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. STEPHENSON] and the senior Senator from Delaware [Mr. DU PONT] are detained from the Senate on account of illness. I will allow this notice to stand for the day.

The VICE PRESIDENT. Seventy Senators have answered to the roll call. There is a quorum present.

ESTATE OF THOMAS BRITTON, DECEASED.

Mr. BRANDEGEE. On June 26 I introduced a bill (S. 2642) for the relief of the estate of Thomas Britton, deceased, and it was referred to the Committee on Military Affairs. I move that that committee be discharged from the further consideration of the bill and that it be referred to the Committee on Claims.

The motion was agreed to.

ASSISTANT IN SENATE DOCUMENT ROOM.

Mr. SHAFROTH. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably with amendments Senate resolution 174, submitted by the Senator from Minnesota [Mr. CLAPP] on the 27th instant. I ask for the immediate consideration of the resolution.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendments were, in line 3, to strike out the words "$1,440 per annum" and insert "$120 per month until October 31, 1913," and, in lines 4 and 5, to strike out the words "until otherwise provided by law," so as to make the resolution read:

*Resolved*, That the Secretary be authorized to employ one additional assistant in the Senate document room at a compensation of $120 per month until October 31, 1913, to be paid out of the contingent fund of the Senate.

The amendments were agreed to.

The resolution as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 3058) authorizing the President of the United States to appoint Col. James Jackson to the rank of brigadier general on the retired list; to the Committee on Military Affairs.

By Mr. THOMAS:

A bill (S. 3059) to amend an act entitled "An act making appropriations for the current and contingent expenses of the Indian Department and for fulfilling treaty stipulations with various Indian tribes for the fiscal year ending June 30, 1903, and for other purposes"; to the Committee on Indian Affairs.

A bill (S. 3060) granting an increase of pension to Mary C. Jackson; to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 3061) granting an increase of pension to Winfield S. Brooks; to the Committee on Pensions.

By Mr. CATRON:

A bill (S. 3062) to provide for a mausoleum in Arlington National Cemetery for the interment of Army and Navy officers; to the Committee on Military Affairs.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed with amendments the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 111) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy, in which it requested the concurrence of the Senate.

THOMAS GREEN PEYTON.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, which were, in line 3, to strike out "Secretary of War" and insert "President," and in line 5, after "Academy," to insert "*Provided*, That this shall not operate to increase the Corps of Cadets at said academy as now authorized by law."

Mr. CHAMBERLAIN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On August 28, 1913:

S. 1353. An act to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott.

On August 29, 1913:

S. 1620. An act to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 111. Joint resolution to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy was read twice by its title and referred to the Committee on Military Affairs.

INCOME TAX.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the previous day, which will be read.

The Secretary read Senate resolution 177, submitted yesterday by Mr. CRAWFORD, as follows:

*Resolved*, That the Committee on Finance be directed to investigate and ascertain the difference in character between income immediately and directly derived by an individual from the carrying on or exercise by him of his profession, trade, and vocation, and income derived from property or investment of capital, and to report an amendment which will make a just discrimination in the rate of levy in favor of incomes immediately and directly derived from the exercise of a profession, trade, or calling, as compared with income derived from property and capital investment.

Mr. CRAWFORD. Mr. President, I do not wish to have this resolution in any way delay the Senate or embarrass the committee. I wanted the subject brought before the Senate, and I am willing that the resolution and the amendment which I offered be referred to the Committee on Finance. It is late in the session, and it is a new feature of the income tax. I realize that it may not be quite fair to ask to have it receive full consideration. At any rate, I am willing that it shall go to the committee.

The VICE PRESIDENT. Without objection, the resolution will be referred, with the amendment submitted by the Senator from South Dakota, to the Committee on Finance.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

The VICE PRESIDENT. The pending amendment is on page 186, where, after line 2, the Senator from Nebraska [Mr. HITCHCOCK] proposes to insert a proviso, which has been read.

Mr. HITCHCOCK. Mr. President, this is the first amendment to the tariff bill which has been proposed from the Democratic side, and in view of that fact it seems to me proper that I should make an explanation of the causes which have led me to differ from the conclusions of the Democratic caucus and which still inspire me to urge this amendment upon the attention of the Senate.

Mr. President, I am not quite as extreme as some who decry the caucus. In spite of all the evils which have grown out of caucus legislation and caucus domination, I believe there are occasions when the caucus may be necessary to harmonize party action upon a party bill. If any bill is entitled to be termed a party bill it is a tariff bill, because tariff has become the great issue between the two leading parties of the country representing two distinct schools of political thought.

Thus, when the pending bill came to the Senate with its three or four thousand separate items, I felt that I could properly go into that caucus and surrender a measure of my own independence for the sake of securing a harmonious party result.

But the pending bill, Mr. President, is something more than a tariff bill. It presents other means of raising revenue. It levies other taxes than tariff taxes and contains a number of provisions for the regulation of business.

To my mind it was, to say the least, a mistake to endeavor in a Democratic caucus to bind the individual to the details, for instance, of the pending section providing an income tax. The income tax is a comparatively new idea in revenue legislation in this country. It involves great questions. It has its

advocates on the other side of the Chamber as well as on this side of the Chamber. The collection of an income tax has become a matter of distinct constitutional right by Congress, and Republicans as well as Democrats voted for and assisted in securing the amendment to the Constitution to that effect.

When the income-tax question comes into this Chamber, involving as it does not only the degree to which taxation shall be levied upon the incomes of the country, but involving also great social changes which may follow, it seems to me that the individual Democrat, like the individual Republican, ought to be permitted by his party to stand here and vote for his convictions.

After all, Senators here were elected to the Senate not to a caucus, and it is in the interest of the public welfare that great questions of this sort be debated in public and decided in public, particularly when we are engaged in formative, fundamental legislation of this sort.

So, Mr. President, it seemed to me a mistake when my party undertook to decide the details of the income-tax bill in the caucus. Still, I did not leave the caucus on that account. I left the caucus when I asked the privilege of being permitted in the open Senate to introduce a legitimate amendment for the taxation of trusts, and that privilege was denied me. I asked it not only for myself but I asked it for other Democrats on this side of the Chamber who believe in the principle and want to see it engrafted upon the pending bill. Those men, if compelled to vote against my amendment, which I am here to-day to urge, will have difficulty in explaining to their constituents why they have done so. It is not right for the party to put them in that position when no great party issue is involved.

It has been an unpleasant sight to me, as it has been to many Democrats during the last few days in this Chamber, when Senators on the Republican side of the Chamber have proposed amendments to the income-tax provision that appeal to the sense of justice and appeal to the judgment of Senators on this side, but who, because of caucus rule, were compelled to vote against such amendments. I do not think that is a worthy sight in the Senate of the United States. I do not believe it is right to bind individual Senators and compel them to vote against their conscience and their judgment upon such amendments when no party policy is involved.

Mr. President, in order to justify myself for the position I am taking, I shall go a little further, and perhaps verge upon the improper in reference to the Democratic caucus of which I was a part. Like all caucuses, I believe the fact to be that our Democratic caucus degenerated into a political machine, and I do not believe that upon the vote upon my tobacco amendment the real sense of the caucus was evoked. I did not offer my tobacco amendment; I merely asked the caucus to leave me free to offer it in the Senate of the United States as an amendment and an addition to the revenue bill.

Mr. President, it might be said that I have the privilege of offering a separate bill for this purpose. That is not so. The Constitution of the United States, as is well known, requires that all revenue bills shall originate in the House of Representatives, and there is no chance for a Senator of the United States to offer a provision for the taxation of trusts except as an amendment to a bill which comes here from the other House. This was the only opportunity I would have, or that any other Senator would have, to offer such an amendment at this session or probably at the next session. I did not, however, ask the caucus to approve my amendment; I asked to be left free to offer it here in the Senate, and I asked that other Democratic Senators be left free to vote for it according to their consciences and their judgment. I was refused. The Senator from Arizona [Mr. ASHURST], however, offered my amendment, and after a heated controversy it came to a vote in that caucus. The votes have been published, so I am revealing none of the secrets of that caucus when I say that 18 members of the Senate voted for my amendment and 23 appeared to vote against it. I say "appeared" because it is a fact, which I shall take the liberty of stating, that the nine Democratic members of the Committee on Finance voted as a unit, regardless of their convictions. So we have a wheel within a wheel, a machine within a machine. The inner machine controlled the caucus. The vote cast was not the correct expression even of the caucus.

Mr. President, under these circumstances I felt that I was justified and that I could still maintain my Democracy in leaving the caucus and coming here and offering my amendment, as I do to-day, to this bill.

What is this amendment? The pending section of the bill provides a tax of 1 per cent upon the net earnings of the corporations of the United States. My amendment develops the idea a little further and provides that when a corporation has obtained control of one-quarter of the business in any single line in this country, instead of paying 1 per cent tax it shall pay 5 per cent; when it has progressed further and secured a third of the business of the country in any one line, it shall pay 10 per cent; and when it has still further approached a monopoly and obtained 50 per cent of the business of the country in any one line, it shall pay 20 per cent of its net earnings to the Government of the United States. That is equitable; it is in line with the other provisions in the bill, which make the rate of taxation upon the income of the rich man higher than the rate of taxation upon the income of the poor man. It is equitable because, as everyone knows, a corporation which approaches monopoly proportions has reduced its cost of production to a minimum and magnified its profits to a maximum. Such a corporation can much easier afford to pay 5 per cent of its net income than the John Smith Grocery Co. can afford to pay 1 per cent upon its net income, because the John Smith Grocery Co. is engaged in a competitive struggle with the other business men in that line, while the great trusts, to which this applies, are freed from competition and are practically exercising monopoly powers in this country to-day. So I say the amendment is equitable, and it is in line with the other provisions of this bill. There is no doubt as to its validity. I challenge any Senator here, lawyer or not, to question the validity of a tax of this sort that Congress levies. The Supreme Court has time and time again said that there is no limit upon the power of Congress, except that the tax levied shall be uniform and for the public welfare. I remember a case in which the court acted and upheld a tax upon the gross receipts of sugar and tobacco companies in excess of $250,000, evidently an effort to levy taxes upon trusts then forming.

So, I say, Mr. President, there is no doubt as to the validity of this amendment. Of what other proposed antitrust amendment or law can it be said that there is no question as to its validity? For 25 years Congress has been legislating against the trusts, and for as many years we have been embroiled in litigation in the courts of the land.

Now let me consider some of the objections that might be urged. I hear one say that this a tax on efficiency. Of what value or merit is efficiency in a great trust, organized to the highest degree, if consumers receive no benefit and the men who labor in that industry receive no benefit? Of what use is that efficiency to the country when it only goes to magnify the profits of those who are exercising monopoly power? Of what use is that efficiency to the country when it has served to create the multimillionaires of the country, to centralize wealth, and to really work an injury upon the business world by intensifying the struggle for existence among those compelled to compete?

Yes, and I hear another objection, that it proposes to limit enterprise. Well, do Senators think of what limitation has been placed on enterprise by the great trusts which have grown up in the land? Do they think how those trusts have crushed small competitors; how they have ruined independents; how they have driven men out of business and reduced them from the position of independent citizens to wage earners and salaried employees? The limitation of enterprise in this country has been worked by the great trusts themselves in the destruction of innumerable companies that were endeavoring, under the laws of competition, to do the business of the country.

Mr. President, there may not be many precedents for just this style of legislation, but I recall one at the present time which seems to me very similar and which is highly thought of. A few years ago, under the leadership of Gov. Hughes, of New York, now a justice of the Supreme Court of the United States, New York enacted a law prohibiting the giant insurance companies of New York from writing more than a certain per cent of new business each year. That law has been proved beneficent; it has saved money to the holders of policies; it has tended to restrict and reduce the growth of the Money Trust in this country; and it has given an opportunity for the lesser and legitimate insurance companies to increase their business. So that the limitation of the growth of the great concerns is not altogether without legitimate and healthy precedent.

Mr. President, I have said that for 25 years Congress has been legislating and courts have been struggling to enforce legislation against the trusts, but our progress has been almost insignificant. This has been the very era of the growth of trusts; it has been the very era of the centralization of wealth. In that time a great imperialism has grown up in our business world. To-day, after the decisions of the Supreme Court in the Standard Oil and Tobacco cases, we are practically confronted with the fact that we have failed—failed in legislation, failed in our courts, and that we have been checked in our effort to do away with the development of these great giants in the business world. Shall we give up? Shall we abandon

the fight and give over the country to the exploitation of these evil concerns?

Almost every man here has pledged his constituents at one time or another to do what he can against the trusts. They are an acknowledged evil. Every platform has denounced them. I believe I was not only standing upon the ground of public interest, but that I was standing on good Democratic ground when I left the caucus because I was denied even the privilege, if I remained in it, of presenting to the Senate this amendment proposing to tax the trusts in proportion to their size.

No plank in the last Democratic platform was stronger or more unqualified or definite in binding the Democrats in office than that plank which reads:

We * * * demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

This, Mr. President, is the Democratic doctrine, and I believe I have the right to call upon the Democratic managers in the Senate of the United States to give the Democratic Senators here an opportunity to vote for it.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. HITCHCOCK].

Mr. NORRIS. Mr. President, I should like to make an inquiry of my colleague, if he will give me his attention. On page 2 of the amendment, beginning in line 18, among other exceptions it is provided:

Nor shall this additional tax provided for in this paragraph apply to corporations, joint-stock companies, or associations employing less than $50,000,000 capital, represented by stock or bonds, or both.

The question I want to ask is with regard to the modifying clause "represented by stock or bonds, or both." It struck me at first glance that those words weakened the proposition. Would it not be possible for some joint-stock company or association to have a capital of $50,000,000 and have neither bonds nor stock; and if that were true, would they not escape the provisions of this amendment?

Mr. HITCHCOCK. I think there may be some point in the criticism which my colleague makes; but I will state that I used that phrase for the reason that if I confined the language to capital stock it might be possible for a company to organize with $25,000,000 capital stock and have $25,000,000 of bonds, and thus escape. I am willing to accept any modification that may be suggested.

Mr. NORRIS. In that case it would all be capital. I should think there would be no question about that. It seems to me that the ground is covered if you stop at the word "capital." It would not make any difference then how it was represented, whether it was by shares of stock or bonds or any other method that might be devised; but if you leave in the words which I have mentioned and any scheme were devised to have the capital composed not of stock or bonds, then they would be excepted, and I take it, of course, that my colleague does not mean to have that occur.

Mr. HITCHCOCK. It is possible that it would be well to change the language so as to read "employing less than $50,000,000 capital represented by stocks, bonds, or otherwise."

Mr. NORRIS. Why should we say anything further? Why not stop at "capital"? Would not that include it all?

Mr. HITCHCOCK. I doubt it. If a concern in that case had only $25,000,000 capital and borrowed $25,000,000 more, I think it would not come within the provision.

Mr. NORRIS. I think the suggestion the Senator has made, to add the words "or otherwise," would at least remove the difficulty.

Mr. HITCHCOCK. I ask leave, then, to modify the amendment in that particular by inserting the words "or otherwise," so as to read:

Employing less than $50,000,000 capital, represented by stocks, bonds, or otherwise.

Mr. BRISTOW. Mr. President, I am interested in the limitation of $50,000,000. Does not the Senator have in mind any corporations or stock companies that might have a less capital and still hold a monopoly of the business? Does he think $50,000,000 is low enough? I should like his views as to why he made it fifty millions instead of, say, twenty-five millions.

Mr. HITCHCOCK. I will say to the Senator from Kansas that I presume it was because of my extremely conservative nature. I do not like to go too far. I thought possibly there might be danger that a concern of less capital, manufacturing some comparatively insignificant article, might be involved. I am not at all wedded, however, to the $50,000,000 limit. If any reason can be shown why it should be made $25,000,000, I shall be glad to accept the suggestion.

Mr. BRISTOW. I feel that I should say that my idea as to the control of the trusts has been along different lines from those proposed in this amendment. I have felt that we ought to have an industrial commission, given powers to inquire into the operations of all of these concerns, and with authority to correct any monopoly that might exist. I have pending now before the Committee on Interstate Commerce a bill to that effect; but this amendment seems to me to be very desirable. I can not see how any harm could come from it. Certainly it would not interfere with any business that was conducted along legitimate lines and did not maintain itself by virtue of the power it might have as a result of a monopoly.

I shall certainly most heartily support the amendment.

Mr. BORAH. Mr. President, I wish to ask the Senator from Kansas and the Senator from Nebraska if this extraordinary tax is placed upon these monopolistic combinations, what means have we to prevent the combinations from transferring practically all of the tax to the consumer? Take the case of the American Tobacco Co., the corporation which gave rise to this amendment.

Mr. BRISTOW. I will say to the Senator that this tax is on the net income. It is not on the gross business. It is levied after the commodities have been sold and distributed and consumed, upon the profits that accrue from the business.

Mr. NORRIS. If the Senator will permit me, even though we might admit that the tax could be passed on, I presume the theory of the amendment is that if it were passed on it would enable those who are independent and who do not have to pay this high tax to get on the market with a cheaper article and thus bring about real competition.

Mr. BORAH. That would be true if there were no monopoly.

Mr. NORRIS. This applies where they control from one-quarter up of the product. Unless some concern controlled the entire product they would not be able to pass on this tax, even if otherwise they could do so, providing somebody else was manufacturing it at a lower price and was able to put it on the market.

Mr. BRISTOW. The Senator from Idaho will observe, on page 2, in subdivision C, that the amendment provides that "if its production or sale be one-half or more of the total amount of any line of production for the whole country, its annual tax shall be twenty times the normal tax hereinbefore imposed." When you impose a tax that heavy, it seems to me, it gives the smaller concern an opportunity to compete in the market. It puts a handicap upon the monopolization of the American market by a giant concern and relieves the smaller producers from that burden.

The idea plainly is to give the small man a chance in his competition with the powerful concern. If there is anything needed in American commercial or industrial life to-day it is just such legislation as this. It is all very well for us to go on the stump throughout the country and advocate the control of monopolies and denounce them violently, and then, when an opportunity comes in the United States Senate, to refuse to vote for a measure that would, to some extent at least, put a handicap on them in their efforts to monopolize the American market.

I think we owe a debt of gratitude to the Senator from Nebraska for presenting an amendment like this, which enables us at least to express our views as far as that principle goes.

Mr. THOMAS. Mr. President, some time before the Democratic caucus assembled the Senator from Nebraska introduced an amendment which was aimed at and intended to affect the American Tobacco Co. I should like to ask him if it was not that amendment which was discussed and which received the vote to which he referred a few moments ago?

Mr. HITCHCOCK. If the Senator will permit me to reply, I not only introduced my tobacco amendment, which was referred to the Committee on Finance, but I also introduced an amendment very similar to this now pending providing for a graduated tax upon the incomes of trusts. That amendment also was referred to the Committee on Finance of which the Senator from Colorado is a member. That committee ignored it.

If a committee is to control the caucus, and the caucus is to control the party, and the party is to fix legislation, I think the committee at least ought to give hearings, and ought to give an opportunity for the consideration of the legislation upon which it passes.

Mr. THOMAS. I am very sorry that my question seems to have offended the Senator. I asked the question in perfect good faith. I am of course aware of the fact that this amendment and the other amendment were introduced and referred as the Senator says; but I am here to assert from my recollection that it was the tobacco amendment which was there discussed, and which there received the vote to which the Senator refers. I may be mistaken; my memory may be infirm, but that is my recollection, because I know that my chief objection to the amendment was that it was aimed at a particular concern, and was not general in its terms and purposes.

Mr. HITCHCOCK. The Senator states the matter correctly so far as he goes; and I certainly regret it if in the heat of my remarks I have seemed to reflect overseverely upon the Committee on Finance. I realize that the committee has done a great work, and that it has been burdened with details; but I think a matter which was serious enough to command the attention of the Democratic caucus for two days should have been given 15 minutes consideration by the Committee on Finance.

I introduced not only my tobacco amendment but this amendment. They were both referred to the Finance Committee, and both rejected by the Finance Committee, as I was informally informed some time thereafter.

I stated in my remarks here to-day that I did not ask the caucus to adopt either one of my amendments and bind all the Democrats to vote for them. All I asked was that the caucus should leave me free and leave its members free to present and vote upon those amendments here in the Senate. That is all I asked.

Mr. THOMAS. I think the Senator is aware of the fact that a vote was asked and taken upon his amendment.

Mr. HITCHCOCK. It was, but it was not asked by me. I said I did not ask it.

Mr. THOMAS. That is true; but it was nevertheless asked and recorded, and the matter was discussed by the Senator from Nebraska as well as by some others.

Mr. HITCHCOCK. That is true, but if the caucus had given me the privilege of presenting it upon the floor of the Senate I should have been entirely satisfied. It was the Senator from Arizona [Mr. ASHURST] who presented the amendment, because it seemed to be less offensive to members of the committee than to give me the freedom of offering the amendment here before the Senate.

Mr. HITCHCOCK subsequently said: Mr. President, I find upon examining the official report of the colloquy that occurred to-day between the Senator from Colorado [Mr. THOMAS] and myself that I placed an erroneous construction upon a question which he put to me. Under the erroneous impression that my statement was being questioned by the Senator from Colorado, I replied harshly and unjustly to him; and I desire to tender my apologies.

Mr. GALLINGER. Mr. President, some of the secrets of the Democratic caucus are now being revealed. I should like to ask those in charge of the bill if we may not have a transcript of the entire proceedings of that celebrated gathering? It might enable us to legislate more intelligently than we can otherwise, being in the dark as we are at the present time.

Mr. WILLIAMS. Mr. President, there is one very serious objection to furnishing the Senator from New Hampshire with a transcript of the proceedings of the Democratic caucus. If one came back from the dead with Democratic doctrine of any description, it would not appeal to the Senator from New Hampshire. It would not do him the slightest good if he had before him to-day every word of wisdom that was uttered in that conference.

One word more, Mr. President. I had not intended to get on my feet at all. In the most good-natured way possible I wish to announce that the Democratic Party in its own good time, and in the fullness of its wisdom, will deal with the trust problem. It will also deal with the banking and currency problem. It will deal with a great many other things. But it is not going to make this bill the vehicle of all sorts of reformations, and it is not going to deal with a great problem like the trust problem in any hairbrained manner. It is going to deal with it after full consideration and full hearings.

There are several bills dealing with the trust question pending now, introduced by several gentlemen. Perhaps when the Democratic Party comes to deal with that question it may avail itself of some of the propositions or some of the suggestions contained in this amendment. I do not know as to that. It will if it thinks it is wise. It will not if it thinks it is unwise. But it is not going to make this bill the vehicle for every manner of alleged reformation in some field or other.

Mr. GALLINGER. I can not refrain from expressing regret that we can not get this information that is lodged in the tomb of the Democratic caucus; but if it has been ordained otherwise, of course we must get along as best we can, without having information that we would very much like to possess.

I observe that the Senator has marked out a great program for the Democratic Party, which he says it is going to carry out in the fullness of its wisdom. I regret to say that in view of the past performances of that party, I am afraid the fullness of its wisdom will come short of the performance which the Senator from Mississippi suggests.

Mr. WILLIAMS. That may be, Mr. President, but if the Senator from New Hampshire approved of us in any way, we might not suspect our wisdom just for that reason, but we would suspect our Democracy.

Mr. GALLINGER. There is no question about the Senator's Democracy, and there is no question about the Democracy of this bill, because it is along the lines of ante bellum days, when Democracy was in its glory. It has been rehabilitated for a little while, but it will not last long.

Mr. CUMMINS. Mr. President, I have nothing to say with respect to the controversy between Senators on the other side of the Chamber as to the caucus. I have expressed my opinion heretofore with regard to that way of legislating, and I have not in the least degree changed it.

I do desire, however, for a very brief time to express my views upon the merits of the amendment proposed by the Senator from Nebraska. I am not content with the answer made by the Senator from Mississippi [Mr. WILLIAMS], who says that in the fullness of time and in the wisdom of the Democratic Party we will deal comprehensively with the trust problem. I suppose he means that when a majority of the Members on the other side of the Chamber come to the conclusion that we ought to legislate upon that subject we may be able to approach it.

I assume that the proposal of the Senator from Nebraska will be characterized as another assault upon wealth so graphically described by my friend from Massachusetts [Mr. LODGE] yesterday. I think that the Senator from Massachusetts did the country a great injustice, or the people of the country a great injustice, when he declared that there was a prejudice among the men and women of America against wealth as such. There is no such prejudice and there is no such feeling. I have never heard in any campaign, however heated, one word uttered against the man of wealth, the man of success. Success is as highly esteemed now as it ever was in the history of the world, but the last 25 years, and especially the last decade, have witnessed the accumulation of so much dishonest wealth, or, to speak more accurately, so much wealth has been dishonestly accumulated, that the criticisms against the methods which have been employed are sometimes regarded as criticisms against success or the expression of envy upon the part of those who have not been so successful.

When it is remembered that a great proportion of the immense fortunes of the country have been accumulated in ways that have fallen under the condemnation of every right-thinking man, it is not to be wondered at that in the effort to analyze the causes and in the effort to find some remedy for the evils which exist the superficial observer should think there was a campaign in progress against all success, against all wealth. It is not so. But when the country thinks of the $700,000,000 and more unfairly created in the organization of the United States Steel Corporation, which made fortunes beyond description for those, or some of those, who were engaged in the enterprise; when it is remembered that the Chicago & Alton Railway Co. rose overnight from a corporation of about $30,000,000 of capital to one of $130,000,000 of capital, absorbed by the unscrupulous but capable men who were engaged in the enterprise; when it is recalled that Mr. Carnegie, an estimable man, sold a plant to the United States Steel Corporation that was not worth by any fair standard of value more than $100,000,000 for $500,000,000, simply because there passed with it a certain monopolistic power, we can not be surprised if we find the people of the country alert and determined to thwart in some way these avaricious desires and to restrict these monopolistic powers.

This, fellow Senators, is the real thought at the bottom of all this agitation, and the sooner we recognize not only the right but the duty of reaching out for these dishonest fortunes and endeavoring in some way to prevent their increase or to prevent others from imitating what has heretofore been done, the sooner we will inculcate a real respect and a real regard for honest success and legitimate wealth.

If I had my way about it I would prefer to reach this subject through some other power of Congress. Primarily I would not adopt the taxing power in order to accomplish the purposes that every good citizen, I think, wants to accomplish. But there are times when we must take whatever power is at hand. There are times when our duty requires us not to wait for the future and for legislation of another character, although it reaches the same end, but to do what we can now, because in so doing we at least will have made one step in the long journey toward the abolition of great monopolies.

I do not agree with the sentiment that has been so frequently expressed here that we must not employ the taxing power for anything else than raising a revenue. I know that that must be the legal intent uppermost in our minds; but, incidentally, if we can while raising a revenue at the same time restrict monopolies and trusts we ought to do it.

You will all remember that when it was thought necessary to retire the circulation of State banks it was done through the

taxing power without any real purpose of raising a revenue. When it was thought best to protect the farmers of this country against frauds and deceptions in one of their products we protected them through the taxing power. I think no man will now criticize the efforts that were then made and the results that were then accomplished.

Only last year my friend from Massachusetts [Mr. LODGE], who deplores apparently the use of the taxing power for any other purpose than raising a revenue, introduced, and through his influence secured the passage of, a law taxing a certain kind of matches, not for the purpose of putting money in the Treasury of the United States, but for the purpose of protecting the lives and the health of the people. He is justly entitled to the gratitude of all the people of the country for the destruction of the business which thus menaced life and health, but the tax which was imposed in that bill was a prohibitive tax and could have no other effect than the destruction of the business which it concerned.

Therefore when we observe this great menace of monopolistic control in the industries of our country and see how slowly and ineffectively we have hitherto dealt with the subject, and see here an opportunity at least to discourage the increase of business of one corporation beyond a reasonable proportion, I think we ought to embrace the opportunity. We ought to pass the amendment. It will have the effect of discouraging any corporation from desiring to do more than 25 per cent of the business of the particular kind that the corporation carries on.

I am willing to go much further. I do not believe that any person or any corporation ought to be permitted to do more than 25 per cent of the whole business. If I had my way, and if there was any effective method by which it could be accomplished, no corporation should be permitted to grow to a magnitude that would enable it to take to itself more than 25 per cent of all of one kind of business of this great country. We are large enough always to maintain more than four corporations or four persons engaged in the same business.

Take the United States Steel Corporation, inasmuch as I have mentioned it, as an illustration. It does practically 50 per cent of the business in which it is engaged. I have no criticism upon the methods that it employs in the business itself, but it would be very much better for the people of the United States if instead of having one corporation doing 50 per cent of that business it was distributed among five corporations doing the same extent of business. If our object is to preserve the competition we have and to restore the competition we have lost, let us put every obstacle that we can in the way of any corporation going to the point at which it can exercise this monopolistic power.

Therefore it matters not to me whether this raises a revenue or not. I suppose it will raise some revenue, because I assume some of these corporations will be able to pay this added tax and still meet their competitors upon fair and even terms. But, however that may be, this will be some obstacle in the way of growth beyond 25 per cent of the business. There ought not, as it occurs to me, to be two minds about erecting whatever obstacle we can to prevent the onward march of monopoly and trust.

Mr. LODGE. Mr. President, I notice that the Senator from Idaho [Mr. BORAH] yesterday said that in the State of Massachusetts a few years ago the assessed valuation of all the real estate amounted to $2,000,000,000, while the valuation of all the personal property in the State, according to the assessment, amounted to only $500,000,000. I do not know to just what date the Senator referred, but I have gone back a few years. I have taken the report for 1910, three years ago. The total value of the real estate was $2,977,000,000 and the total valuation of personal estate was $2,050,000,000, a difference between them of only $900,000,000 instead of a billion and a half or two billion, showing that the valuation of the personal estate is very close to the valuation of the real estate. Fifty-one million dollars——

Mr. NORRIS. Will the Senator yield right there?

Mr. LODGE. I should like to put in the figures consecutively. Fifty-one million was raised by the tax on real estate—I do not give the detailed figures—and $34,000,000 was raised by the tax on personal estates. I am reading from the tax commissioners' report covering the year 1910.

Mr. NORRIS. Now, Mr. President, if the Senator will yield, for the sake of information I should like to know if he has any estimate as to what proportion in value of personal property this particular assessment covers? How much, on a percentage basis, of the value of personal property was really listed for taxation?

Mr. LODGE. I do not know. That is undertaking to make them state the property that escapes taxation. Undoubtedly some property does escape it. That is the case everywhere.

Mr. NORRIS. I understand; but the Senator was reading from some statistics, and I supposed that perhaps the officer making that report had given those figures.

Mr. LODGE. They give no estimate of the amount that escapes taxation, because if they could they would get it.

Mr. NORRIS. Not necessarily.

Mr. LODGE. They would come pretty near getting it.

Mr. BORAH. I think that is a mistake, because it has been estimated very closely and very accurately, apparently, by a great many tax commissions that they get for taxation only about 20 or 25 per cent of the personal property. I did not cite Massachusetts, because Massachusetts was an exception; but there are other States in which when estates come to be probated it is shown that they have paid taxes upon about one-twentieth of what they were worth.

Mr. LODGE. Unquestionably some personal property more or less escapes everywhere. It is very difficult to determine how much has escaped because the very fact that it escapes shows that it is concealed, and any estimate must necessarily be guesswork. I am far from defending it. I know when estates go to probate they often exhibit a much larger amount than they are taxed, but under our system which in the main has been in existence for centuries, the man is not required to make a sworn return. In the towns and cities he is doomed, as it is called, so much personal property. If it is more than he thinks he ought to pay on, it is upon him to make a return. Of course, under the dooming a certain amount necessarily escapes, but there is no such gap as the Senator suggested; just as undoubtedly a certain amount of real estate is undervalued where dealing with 300 or 400 towns and cities. I know towns where they put what they consider the full valuation on real estate, and then tax all the real estate in the town one-half its valuation.

Mr. GALLINGER. Mr. President——

Mr. LODGE. I yield to the Senator.

Mr. GALLINGER. I will ask the Senator from Massachusetts if it is not the custom in New England largely, if not entirely, where property is doomed, where a return has not been made, to increase the rate two or three times so as to punish them in that way? That is the case in New Hampshire, I know.

Mr. LODGE. In cities and towns where taxes are high and money is greatly needed dooming is very severe and comes right up to the edge. In other towns and cities where there is no debt, perhaps, or they do not require such large taxes they do not push the dooming to the limit.

Mr. NORRIS. I wish the Senator would explain, as a matter of information, just what method is employed that he has termed "dooming."

Mr. LODGE. It is done by the assessors of a city or a town, as the case may be. The theory is that all personal property, including income of every kind, is to be taxed. Nothing is exempted practically, except double taxation of mortgages; that is, mortgaged property is taxed once and they do not tax a mortgage in the hands of the mortgagee. With that exception, everything is supposed to be taxed. The assessors value the real estate and make another such valuation as they think proper for taxation. They then value the man's personal property and make their estimate on it and put it at anything they please.

Mr. NORRIS. Upon what basis? Do they not consult the taxpayer in any way? Does he not have to make some return of his personal property?

Mr. LODGE. He has to make some return if he is dissatisfied with the dooming.

Mr. NORRIS. Then dooming, as a matter of fact, would be mostly guesswork, would it not?

Mr. LODGE. It may be mostly guesswork, but if you lived in one of the cities or towns of Maine or Massachusetts you would think they doomed you for about all you had. It is a very common practice in many of the cities to go on increasing dooming and to make it just as high as they can. Men avoid making returns, of course, because they do not want the value of their property publicly known. That is the case in Massachusetts, and the same plan, I believe, prevails in the District, as the Senator from Utah [Mr. SUTHERLAND] suggests to me. Undoubtedly some personal property escapes under any system the wit of man can devise, but in the valuation of personal property there is no such gap—at least there has not been of late years, and I am not aware that there ever has been such a gap—as the Senator from Idaho [Mr. BORAH] has described.

Mr. BORAH. Mr. President, the figures which I used yesterday were taken from some remarks which I made in the Senate on the 3d day of May, 1909, at the time when the Senator from Massachusetts took part in the debate. At that time when the figures were challenged, I had the report to which I referred upon my desk, and I read from it. I am not able to give the Senator this morning the report from which I read, but I know

that I can secure it. I had it on my desk then. The debate on this particular subject came up unexpectedly yesterday.

Mr. LODGE. Of course, I do not question that the Senator took his figures from some authentic source; but certainly they do not correspond with the present figures.

Mr. BORAH. And I think the Senator from Massachusetts will agree with me that practically all the writers upon taxation have agreed that an assessment of personal property is a failure, and that it is agreed generally among them that the assessors do not get over 20 per cent of the property.

Mr. LODGE. I think it is agreed among those writers that to assess personal property is a clumsy system; but I do not remember what percentage they say can be got, though certainly a great deal more than 20 per cent is got in the State of Massachusetts. I am sure of that.

Mr. BORAH. Well, I have given some attention to the matter, and I have never——

Mr. LODGE. I will say that since the debt of the State has increased taxation has risen, and the State authorities undoubtedly have been of late years appraising the valuation of property at much more than they did before. You can see how the valuation has risen.

Mr. STONE. Mr. President, it is impossible for us on this side of the Chamber to hear what the Senator is saying.

Mr. BORAH. Was the Senator from Missouri making a remark? I did not catch it.

Mr. LODGE. I do not want to detain the Senate——

Mr. STONE. I said I could not hear what was said on the other side of the Chamber, and I have not heard what the Senator from Idaho has just said.

Mr. LODGE. I will say, very frankly, that the Senator from Idaho and I were not debating the measure under consideration, but we were discussing some figures which the Senator from Idaho gave yesterday, which have no bearing on this debate. I am sorry to have delayed the Senate from its business even for so long a time as I have.

Mr. WEEKS. Mr. President, I should like to suggest, in addition to what my colleague [Mr. LODGE] has said, that there is a large amount of personal property in Massachusetts which is exempt under our laws. For instance, mortgages on real estate in Massachusetts are not taxable. For that reason there are hundreds of millions of dollars of that character of personal property known to exist which are not included in the lists of personal property held by residents of the State.

Mr. LODGE. Of course, those mortgages are all known, if my colleague will permit me, because they are all matters of record. They ought not to be taxed.

Mr. BORAH. I did not refer to Massachusetts as an exception.

Mr. LODGE. I understand that.

Mr. BORAH. But it is an important matter as to how much of the personal property of the country is reached. That has been pretty thoroughly investigated by tax commissions and by the National Tax Association. The figures which I have quoted came from sources of that kind.

Mr. STONE. If the Senator will pardon me, I should like to inquire whether we have before us at this time an amendment to some law in the State of Massachusetts?

Mr. LODGE. I am sorry to disappoint the Senator, but I do not think we have.

The VICE PRESIDENT. The pending amendment is one to the tariff bill which is now under consideration.

Mr. WORKS. Mr. President——

Mr. WILLIAMS. Let us have a vote on the amendment.

Mr. WORKS. Mr. President, I am sincerely glad, I am rejoiced, that at least one Democratic Senator has had the moral courage, the independence, and the patriotism to protest against the despotic power of the secret caucus. I think this country owes the Senator from Nebraska [Mr. HITCHCOCK] a debt of gratitude for the independence he has shown in the stand he has taken. If this sentiment is the beginning of a movement that will absolutely destroy the secret caucus, it will be worth more to this country, in my judgment, than any tariff bill that can be passed during this session of Congress.

I am in entire sympathy with the object and purpose of the amendment offered by the Senator from Nebraska, but I could not let this opportunity pass without expressing my appreciation of the stand the Senator has taken upon this important question.

Mr. BRISTOW. Mr. President, I was interested in the statement of the Senator from Mississippi [Mr. WILLIAMS] that the Democratic Party in its own time and at its own convenience would provide a proper regulation for the trusts. I can see the same spirit prevailing on the part of the Senators in control of this bill now which prevailed on the part of the Senators in control of the tariff bill four years ago—a dependence upon the power of a majority vote independent of the merits of the proposition submitted.

Under the rule that is controlling the proceedings of this Chamber now, 26 Senators compose a quorum of the caucus of the dominant party, and a majority of 26, or 14, can determine what shall be the action of the Senate, and any Senator who refuses to obey the orders or the mandates that may be issued from that caucus is branded as a bolter from his party.

I appreciate the position which the Senator from Nebraska [Mr. HITCHCOCK] has taken here this morning, and I think I can understand something of the spirit that animates him. I myself, in connection with some other Senators, have stood up and advocated amendments that we believed ought to be made to a tariff bill, and thereby incurred the displeasure of those then in control of our party's management. To my mind the caucus method is a dangerous method, and it will not, in my judgment, receive the approval of the American people. The quicker it can be exposed in all its hideousness the better it will be for the country, and the quicker the dominant party disclaims such a system of legislation the better it will be for that party.

So far as using the taxing power to regulate trusts, as the Senator from Nebraska and the Senator from Iowa have both said, it is not new. It is employed to-day; it has been employed for many years, as the Senator from Iowa has illustrated; it can be employed now by adopting this amendment, and the results from such legislation will be desirable. Instead of waiting for some future time, with its uncertainties and its accidents, why should we not employ the opportunity that is here now to accomplish something along this desirable line?

Mr. STONE. Mr. President, having heard this luminous and all-pervading speech of the Senator from Kansas several times, I think we might now have a vote.

Mr. NORRIS. Mr. President, I had not intended to say anything on this question at this time, but it seems to me that I ought not to let this occasion pass without expressing my gratification and my congratulations to my colleague in the Senate [Mr. HITCHCOCK] for the stand he has taken before the Senate and before the country on this particular proposition.

I have not agreed, and do not agree, with my colleague as to a great many measures that have been presented, and perhaps as to many which will be presented in the future, involving some of the basic principles of government; but, to my mind, a man has taken the greatest step for the good of his country and the good of any party when he declares his independence and refuses to permit any caucus to control his official action in an official body.

If I refer in uncomplimentary language to the caucus, I do so without having any reference to any individual or any intention to charge any individual with any lack of patriotism or lack of honesty or lack of ability. I know it is one method of government; but, to my mind, my colleague has taken the right step, and although, as I have said, we disagree greatly on a great many questions, I think it due to him that I should say, and say publicly, that I shall be glad to make the statement either here or elsewhere at any other time.

Since he has taken this step, I sincerely trust and hope that he will take the next one. He has not yet gone the full length. He has, as a rule, I think perhaps without exception, voted as the caucus decreed on all matters except this one; and he has said, and said truly, that, particularly on yesterday, amendments were proposed here on this side which appealed to many Members on the other side, as I know they did to him. He will feel better and he will be able to accomplish more good for his country and his fellow men when he takes the next step and refuses to permit a caucus to control his official action or his official vote at any time or on any occasion and on any question where he has reached conscientious convictions as to his duty.

It seems to me that here in this body, where official record is kept, where the public are able to see and to hear what is said and what is done, in the last analysis, every man, whenever he has an official vote to cast or an official act to perform, ought to be guided only and entirely by the dictates of his own conscience as to what is right and as to what is wrong on that particular question.

I know that there are matters of policy and matters of detail where men, whether they are here or elsewhere, if they are reasonable and fair, will be willing to give way to their fellows, but it should always in the end come home to the individual for him to decide for himself whether on a particular occasion or on a particular question he should give way, or whether he should follow his own idea as to what is just and what is right.

I believe, Mr. President, that the time is coming when members of the Democratic Party will do as some members of the

Republican Party have done heretofore—break the caucus shackles—and, in my judgment, when that is done, any act that is passed through this body and the House of Representatives, where the same rules shall eventually prevail, will mean the honest and the sober judgment of a majority of the Members of the Congress of the United States; and in that way alone will a majority of the people be able to put on the statute books their sentiment and their will.

Mr. LANE. Mr. President, in truth, I am getting a little tired of these lectures, and I wish to express my disapproval of them. In relation to the amendment presented at the Democratic conference, of which I was a member, by the Senator from Nebraska, I wish to say that it related to a single trust, namely, the Tobacco Trust, which produces a luxury and not a necessity of life. I voted upon and against it as a free man, unbound by any dictation from the caucus, and declared to the caucus that I would not be bound by it. I was not asked to be bound there, nor am I bound here. I voted against that proposed amendment for the reason that I considered it an absolutely unfair proposition. It dealt with but one trust. If the Senator from Nebraska wants to go into that question, let him take it up in a fair manner and treat all trusts alike, and I will travel down the road with him.

I was very much better pleased with the conduct, the explanations, and the actions of my other associates than I was with the conduct of the Senator from Nebraska on that occasion. He was impatient and strictly interested in a measure of his own. It was not a measure that would have been given consideration in the Senate by either side. I merely wish to say this much in justice to Senators on this side of the Chamber.

It is being assumed here that the amendment of the Senator from Nebraska, which was submitted in the conference, covered all trusts. It did not do so. I do not know how far it goes at this time; but at any rate it seemed to me then that it was a proposition which should be acted upon separately and not be tacked onto a measure, which, even by the greatest good luck, can not fail to have errors and mistakes enough in it under the present circumstances.

I have not been in entire accord with the members of my party, and am not now, in relation to the income-tax amendment, and I take the liberty of saying that I expect that they will look into that matter and satisfy me before I finally vote upon it. Incidentally and accidentally the other day, after being hurriedly called upon to vote, on subsequently looking over the roll call I found myself in a position which has rather embarrassed me and upset my digestion. I am beginning to have doubts about the wisdom of one of my votes on that subject, and I am going to ask to have a chance to change it later on. I found myself, to my surprise, in company with which I am unused to travel.

Mr. SUTHERLAND. Mr. President, I desire to ask the Senator from Nebraska a question relative to his proposed amendment. In the first place the provision is—

> That whenever a corporation, joint-stock company, or association shall produce or sell annually one-quarter or more of the entire amount of any line of production in the United States—

It shall be taxed as thereafter provided. Does the Senator mean by that that if a corporation produces in the United States more than one-quarter of a given commodity, it would be liable to a tax although it should sell the greater part of it abroad?

Mr. HITCHCOCK. That might raise a very interesting question, but I think it would be subject to the tax.

Mr. SUTHERLAND. I merely want to understand whether the Senator intends to include that kind of a case.

Mr. HITCHCOCK. I think that if it produces more than one-quarter of the American production, it would be considered as approaching a monopoly to that extent, and subject to taxation wherever it sold its product.

Mr. SUTHERLAND. Suppose it produced, we will say, one-fourth of the entire amount of a given commodity in the United States and sold in the United States only one-tenth? I simply desire to get the Senator's view of the meaning of the provision.

The other question I wish to sumbit is this: On page 2, beginning on line 16, the language of the amendment is:

> But no line of production shall subject a corporation to any additional tax imposed by this paragraph unless said line of production amounts to at least $10,000,000 a year.

Does the Senator mean by that that the entire production of a given article in the United States shall amount to $10,000,000 per year, or does he mean that the production of the corporation or association which is sought to be made liable to the tax shall amount to $10,000,000 per year?

Mr. HITCHCOCK. I undoubtedly intended to express the idea that this tax was not to apply where the total line of production was less than $10,000,000 a year; that is, it would not apply where it was some specialty that was not sufficiently important for a control of the production to be a hardship.

Mr. SUTHERLAND. The Senator intends to apply this tax only to articles which are produced in such enormous quantities as would be indicated by the $10,000,000?

Mr. HITCHCOCK. Yes.

Mr. SUTHERLAND. And not to require that such quantity shall be produced by the given corporation?

Mr. HITCHCOCK. That is correct. It was intended simply to reach the great, notorious concerns that employ $50,000,000 capital or more and produce a certain percentage of the total production.

Mr. SUTHERLAND. So far as I am concerned, I entirely approve of this method of dealing with these great combinations. I think probably some such use of the taxing power will be the most effective way by which we can reach the evils which we all recognize exist.

I think it is a very unfortunate thing in any country when any individual or any combination of individuals, whether in the form of a corporation or otherwise, produce and sell an abnormally large proportion of a given commodity. The direct effect of that is to stifle competition; and I think competition is a very necessary thing and ought to be preserved.

While I think there are a number of crudities in the amendment that ought to be worked out before it could become effective as a law, I am so much in favor of the general principle involved that I intend to vote for it.

Mr. BORAH. Mr. President, before the Senator takes his seat I should like to ask him a question.

The Senator has stated that he intends to vote for this amendment. That encourages me very much to vote for it, because I have great respect for the Senator's legal knowledge and his judgment generally. But what I should like to ask the Senator is, how are you going to protect the consumer from having this tax transferred to him? If I thought it could not be transferred I would likely support it, and may do so, anyway, but rather as a declaration in favor of a principle than the belief that it will work out successfully.

Mr. SUTHERLAND. I do not know that he can be entirely protected, but I have always had this particular notion about these combinations—that even though the enforcement of unlimited competition should result in an increase of prices, it would still be a desirable thing.

The difficulty with a great combination which controls the output of a commodity is that it drives every aspiring man from the field. If it could be imagined that half a dozen great combinations, for example, should control the output of the staple commodities of the country, although they might cheapen the article to the consumer, and undoubtedly they would be able to cheapen the article to the consumer, I think we would pay too big a price for the cheapness in the discouragement which such a situation would give to everybody who might desire to embark in the particular lines of business represented by these great combinations and in the final breaking down to a greater or less extent of the opportunity for individual initiative and the stifling of individual development which would gradually but inevitably result.

I think in the production and sale of commodities, particularly those whose price can not be regulated by law, as is the case with reference to railroad transportation, it is of vital necessity that thoroughgoing competition should be preserved; and I think a provision of this kind will have a tendency in that direction. I think perhaps it may be true that to some extent the increased tax will be shifted to the consumer, although to a certain extent that will be offset by the fact that it will give opportunity for the smaller independent producers to compete upon more equal terms with those who control a large part of the commodity.

Mr. SMOOT. Mr. President, the question asked by the Senator from Idaho was a very pertinent question. Taking into consideration all the evidence that has been given before every committee of the Senate and the House I have no doubt that this tax will be transferred to the ultimate consumer. Whatever tax may be added will be figured in by the great corporations in the same way that they figure their local taxation, in the same way that they figure the interest upon their bonds, and every other expense attached to maintaining their business, and it will be added as a part of the cost of producing whatever they may manufacture.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield.

Mr. NORRIS. I desire to ask the Senator if he does not think the general proposition that the tax can be passed on would not apply here, because the competitor who is not able

to control any part of the market will not pay this tax? This is a tax that is paid only by the so-called monopolist.

Mr. SMOOT. I am coming to that very subject now. I hope the Senator will listen to what I have to say, for I will tell him in a very few words what I have noticed during my service in the Senate and in the discussion of this same question.

There never has been a time during the last 10 years when every independent manufacturer of steel goods in this country has not followed the price fixed by the trust, up or down. There never has been a time that I know of when the independent tobacco manufacturers of this country have not followed the price of the Tobacco Trust, up or down. The testimony before every committee of both the House and the Senate has shown that to be the fact.

If this tax is levied upon the Tobacco Trust, for instance, it will be added as a part of the cost of producing tobacco just the same as the interest upon their bonds is added, just the same as their local taxation is added, just the same as wages paid are added. When the cost is established they will add their profit upon that cost, and at whatever price they sell to the American consumer the independent manufacturers of the country will follow them.

Mr. NORRIS There is not any doubt but that the Senator states a proposition, I think, that is always followed wherever it can be followed. But the illustrations he gives are in every instance cases where no such law as this was in operation. I am not denying what the Senator says, but I think he ought to take into consideration the fact that his illustrations have that infirmity. If this amendment were on the statute books, the one who was operating the monopoly part of the business would have a tax to pay that the other one would not pay. So unless there should be a great deal of difference in the cost of production as between the independent manufacturer and the monopolist, the latter could not pass on the tax to the consumer and he would be driven out of business by competition.

Mr. SMOOT. It is my opinion that there is a great deal of difference in the cost of production. I believe the Tobacco Trust of this country manufactures tobacco cheaper than any independent concern in this country can do it. I believe the Steel Trust manufactures its products cheaper than any independent concern in this country can.

Mr. NORRIS. Does the Senator think they can do it 20 per cent cheaper?

Mr. SMOOT. In some cases; yes.

Mr. NORRIS. That is the limit in this amendment.

Mr. SMOOT. In some cases I think they can.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. BORAH. I desire to say that the questions which I have asked are asked by one who is very friendly to the purposes which this amendment seeks to attain—that is, the general purpose to control these combinations—and I can not say too much of the earnestness and courage of the author of it. But in 1898 we passed a tax which was designed to tax the output of the American Tobacco Co. and the American Sugar Refining Co., and it is now known beyond peradventure that those two companies pass on that tax to the consumer. In addition to that we passed a corporation tax some two or three years ago. I think the Senator from Utah supported that tax. I know some of us opposed it on the very ground that the corporations would pass the tax over to the consumer.

I could favor this proposition if I could be clear that it is so drawn as to prevent that being done in this case.

Some Senators here believe that the amendment is so drawn that it will prevent it. If so, I shall likely vote for it. But unless there is some means by which to prevent the tax being passed over to the consumer I am afraid it will not result in regulation. I say again that should I, after discussion, conclude to vote for it the vote will represent my conviction that something ought to be done rather than any faith in the efficacy of this particular remedy.

Mr. HITCHCOCK. Mr. President, will the Senator permit an interruption at that point?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I do.

Mr. HITCHCOCK. In reply to the several instances that have been given—say, for instance, the Steel Trust—I think the Senator from Utah will admit that the Steel Trust fixes prices, not upon the cost of production, but upon the fluctuating supply and demand; and such fluctuation as has occurred in the steel market has been due to the increasing or diminishing demand for steel goods.

Mr. SMOOT. And that, by the way, will continue in the future, no matter whether this tax is imposed or not.

Mr. HITCHCOCK. That is an influence which applies to large and small concerns alike. Here in this tax we have an influence which applies only to the large concerns. Take the instance of sugar, to which the Senator from Idaho refers. There, again, it is the supply and demand of sugar, the fluctuating supply, if not the fluctuating demand, which causes the change in the price of sugar from time to time. When the beet sugar comes upon the market the price of sugar has been invariably reduced. But here in this proposed tax we have a proposition which will not apply to the large and the small alike, but will apply only to the large. It gives an opportunity to the small to compete. It gives them an opportunity to enlarge their market against the large concern, that may be required to restrict its market on account of the tax.

Mr. SMOOT. The trouble with the Senator's argument is that past experience and history prove that no matter whether the advance has been 5 per cent, 10 per cent, or 20 per cent, the independents have followed it. They have not sold their goods upon the basis of cost. They have sold their goods upon the same basis upon which the trusts have sold their goods.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. I yield.

Mr. CUMMINS. Of course, the argument of the Senator from Utah proceeds upon the theory that we can not have competition in this country at all. I grant that it will require all the skill and wisdom we have to maintain it. But suppose this amendment required the payment of 75 per cent of the income of the corporation into the Treasury of the United States. Does the Senator from Utah think the United States Steel Corporation could raise its prices so as to repair its treasury after the payment of that amount, and that the others would follow?

Mr. SMOOT. I do not, Mr. President.

Mr. CUMMINS. Certainly not.

Mr. SMOOT. I will come to that question in my argument. If it were possible to do so, I would support and will support any kind of a measure that will control trusts in this country. I hardly think this will do it, however. I think the proper way to do it will be to create an industrial commission along the lines of the Interstate Commerce Commission and give that commission the power to regulate the trusts and prices as the railroad rates are regulated in this country by the Interstate Commerce Commission.

Mr. CUMMINS. I am in favor of an industrial commission; but, looking into the future, it seems to me that a commission of that kind is more distant now than it ever was before.

Mr. GALLINGER. Why, Mr. President, an industrial commission has just been appointed.

Mr. CUMMINS. Not an industrial commission of the kind I have in mind.

This will not completely cure the trust evil, of course; but it will help, in my opinion. It can not be asserted as a positive fact that the independents or the smaller concerns will in every case follow the prices fixed by the larger concerns. They want to live, and each wants to get ahead; and there will be some competition excited by this amendment that otherwise would not exist.

Mr. SMOOT. It is a matter of opinion between the Senator and every other Senator. My opinion is that the amendment itself will not bring actual competition, because of the fact that the rates prescribed, in my opinion, are not sufficient to prevent the independents from following the prices fixed by the trust.

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. Certainly.

Mr. BRISTOW. If the Senator's inferences prove to be true, can we not increase it, then, the next time and make it enough to control? I do not think that the steel company, with this handicap, will monopolize the business of the country so much as it does now. If 20 per cent is not enough, if that proves to be insufficient, let us make it 50 the next time.

Mr. SMOOT. It seems to me that there may be a way to do that, as I said, by the creation of an industrial commission and give them power to control the trusts and regulate the prices in this country.

Mr. BRISTOW. I desire to say that I have a bill pending before the Committee on Interstate Commerce now to create an industrial commission and give it, I think, drastic powers. But it has been there for a year and more, and when will it come out? I want to have an opportunity to do something. Still, the purpose seems to be to refuse to do something that we

can, because, in the future, in our own good time, as the Senator from Mississippi says, we propose to do something in our own way. This will not interfere with an industrial commission.

Mr. SMOOT. No; but an industrial commission ought to be created, and if it can regulate the trusts, well and good. If such a commission can not regulate the trusts, then I think there ought to be a provision of this kind, with penalties even greater than those here proposed. That is the position I take in relation to the matter.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. Yes; I yield.

Mr. BORAH. I am glad the Senator from Utah has joined the third party upon the question of the regulation of the trusts. I am not going to enter upon a discussion of the regulation of trusts, although the regulation implies the proposition that we have conceded they must exist and that there is no way to get rid of them. But I rose to ask the Senator from Nebraska, who I know has given a great deal of time to this matter, does he feel that this amendment with its terms and conditions will prevent its operation from being oppressive to the consumer?

Mr. HITCHCOCK. Most assuredly, Mr. President. I have enough faith in the American people to believe that competition, if given half a chance, will assert itself. I believe that if a concern occupies the field now and has 25 per cent of the business of the country, it has such a great preponderance of business that it is able to crush its competitor. I believe that by a tax you can handicap that concern so as to give competition a chance, and giving competition a chance it will live.

Mr. SMOOT. In answer to the Senator from Idaho in relation to joining the third party, I wish to say to the Senator that I do not have to join any party other than the Republican Party to vote my true convictions upon any question I am called to vote upon. I am fully convinced in my mind that there must be a regulation of trusts in this country. The first bill that comes before the Senate of the United States with that directly in view, I am going to support and vote for; and I do not propose to leave the Republican Party to do so.

Mr. TOWNSEND. I should like to ask the Senator from Nebraska how many trusts and corporations the amendment would affect, if he has looked into that question?

Mr. HITCHCOCK. I have recently made up a little computation here, for the accuracy of which I will not vouch entirely. As I figure it, the United States Steel Co. has a capital of $1,500,000,000, and its profits are $54,000,000. It would be subject, I think, under this amendment to a tax of 20 per cent, which would be $10,000,000.

The American Tobacco Co. has a capital of $98,000,000 and an annual profit of $15,000,000. I think its production alone would probably subject it to the tax applying to a concern having 25 per cent of the consumption of the country, to wit, 5 per cent; but if it should develop that the American Tobacco Co., Liggett & Myers, and the Lorillard Co. are owned to the extent of 50 per cent of the stock by the same stockholders, and they should be considered as one and as controlling 70 per cent of the tobacco business of the United States, they would be subject to a tax of 20 per cent upon their aggregate output.

I think the International Harvester Co., which made $15,000,000 in the last report, would be subject to the higher tax. The Standard Oil Co. unquestionably would be subject to the higher tax. There may be some others, but those occurred to me yesterday afternoon, and I had them looked up for this purpose.

Mr. TOWNSEND. The amount of earnings has nothing to do with it? It is the amount of capital and the amount of production that decides whether they are to be under this provision?

Mr. HITCHCOCK. No one is subject to this tax unless he is employing $50,000,000 capital.

Mr. WILLIAMS. Mr. President, the Senator from Utah having joined the Democratic Party by a profession of undying allegiance to the ultimate consumer, and having been invited into the third party by the Senator from Idaho, who has full authority for advice; and nearly all the presidential candidates in the third party having spoken to-day; and the junior Senator from Nebraska having mistaken the order of the day, evidently thinking his colleague here was dead and his eulogies were up, and he was to pronounce a eulogy upon him, can we not now have a vote upon the pending amendment?

Mr. HITCHCOCK. I ask for the yeas and nays on agreeing to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACKSON] and withhold my vote. If I were permitted to vote, I would vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine [Mr. BURLEIGH] and vote "yea."

Mr. LEWIS (when Mr. LEA's name was called). I was requested by the senior Senator from Tennessee [Mr. LEA] to announce that he is called from the Capitol on official business and that he is paired with the Senator from Rhode Island [Mr. LIPPITT].

Mr. LEWIS (when his name was called). Speaking for myself, I am paired with the junior Senator from North Dakota [Mr. GRONNA].

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS], and he being absent I withhold my vote.

Mr. POMERENE (when his name was called). I am paired with the senior Senator from Connecticut [Mr. BRANDEGEE] and therefore withhold my vote.

Mr. REED (when his name was called). I am paired with the Senator from Michigan [Mr. SMITH]. I have not been able to arrange a transfer, therefore can not vote. If I could vote, I would vote, with my party, "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BURTON] and withhold my vote.

Mr. TILLMAN (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. BANKHEAD. I transfer my pair with the Senator from West Virginia [Mr. GOFF] to the senior Senator from Louisiana [Mr. THORNTON] and vote "nay." I make this announcement for the day. I desire to state that the senior Senator from Louisiana is unavoidably absent.

Mr. GALLINGER. I desire to announce a pair between the Senator from Delaware [Mr. DU PONT] and the Senator from Texas [Mr. CULBERSON].

Mr. LA FOLLETTE. I simply wish to say that the junior Senator from Minnesota [Mr. CLAPP] is unavoidably absent from the Senate Chamber for the balance of the day, and I am directed by him to say that if he were present he would vote for this amendment.

The result was announced—yeas 30, nays 41, as follows:

YEAS—30.

| | | | |
|---|---|---|---|
| Borah | Dillingham | Nelson | Sterling |
| Bradley | Fall | Norris | Sutherland |
| Brady | Gallinger | Oliver | Townsend |
| Bristow | Hitchcock | Page | Warren |
| Catron | Jones | Penrose | Weeks |
| Clark, Wyo. | Kenyon | Perkins | Works |
| Crawford | La Follette | Poindexter | |
| Cummins | Lodge | Root | |

NAYS—41.

| | | | |
|---|---|---|---|
| Ashurst | Johnson | Robinson | Smith, S. C. |
| Bacon | Kern | Saulsbury | Smoot |
| Bankhead | Lane | Shafroth | Stone |
| Bryan | McLean | Sheppard | Swanson |
| Chamberlain | Martin, Va. | Sherman | Thompson |
| Clarke, Ark. | Martine, N. J. | Shields | Vardaman |
| Colt | Myers | Shively | Walsh |
| Fletcher | Overman | Simmons | Williams |
| Hollis | Owen | Smith, Ariz. | |
| Hughes | Pittman | Smith, Ga. | |
| James | Ransdell | Smith, Md. | |

NOT VOTING—24.

| | | | |
|---|---|---|---|
| Brandegee | du Pont | Lewis | Reed |
| Burleigh | Goff | Lippitt | Smith, Mich. |
| Burton | Gore | McCumber | Stephenson |
| Chilton | Gronna | Newlands | Thomas |
| Clapp | Jackson | O'Gorman | Thornton |
| Culberson | Lea | Pomerene | Tillman |

So Mr. HITCHCOCK's amendment was rejected.

Mr. CUMMINS. I desire to present an amendment to be inserted at this point, although I do not want to take it up at this time. I ask that it be read and passed over, with the consent of the chairman of the committee.

Mr. SIMMONS. Let it be read.

The PRESIDING OFFICER (Mr. WALSH in the chair). The amendment will be read

The SECRETARY. On page 186, after line 2, insert:

The tax paid upon that share of the net income distributed in dividends to stockholders whose entire annual net income from all sources, including such dividends, is less than the amount of individual net income exempt from tax under this act shall be reimbursed to such stockholders. The procedure and rules for reimbursement to be established by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

Mr. WILLIAMS. Mr. President, the Senator from Iowa had this identical matter before the Senate yesterday and addressed himself at considerable length to the question.

Mr. CUMMINS. I do not want it to be voted upon at this time.

Mr. WILLIAMS. I do not see why we can not vote on it, and if the Senator wants to discuss it further why he can not do it now.

Mr. CUMMINS. I make the request that it be passed over until to-morrow. If the requst is denied, then I must, of course——

Mr. WILLIAMS. No; I will not deny it, but I do think it is rather an abuse, when there is no particular reason for it, when Senators are here in person, to pass things over after they have been once discussed. But I shall not object, Mr. President.

Mr. CUMMINS. I have not discussed it; I have referred to it. The reason why I ask that it be passed over is that I am collecting some information with regard to stockholders of various corporations whose probable incomes are less than the taxable amount. I wanted to present that information to the Senate.

Mr. WILLIAMS. Why could not the Senator have brought it here this morning?

Mr. CUMMINS. Of course the Senator from Mississippi can take whatever action he pleases.

Mr. WILLIAMS. I do not object. Let the amendment be passed over.

The Secretary continued the reading of the bill.

The next amendment of the Committee on Finance was, on page 186, after line 2, to insert:

There shall not be taxed under this section any income from whatever source derived accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State, Territory, or the District of Columbia, nor any income accruing to the government of the Philippine Islands or Porto Rico, or of any political subdivision of the Philippine Islands or Porto Rico.

The amendment was agreed to.

The next amendment was, on page 186, line 10, before the letter "(b)," to strike out "Second"; in line 15, after the word "year," to strike out "out of income"; in line 22, after "mines," to strike out "an" and insert "a reasonable"; in line 23, after "deposits," to strike out "on the basis of their actual original cost in cash or the equivalent of cash" and to insert "not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made," so as to read:

(b) Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint-stock company or association, or insurance company, received within the year from all sources, (first) all the ordinary and necessary expenses paid within the year in the maintenance and operation of its business and properties, including rentals or other payments required to be made as a condition to the continued use or possession of property; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation by use, wear and tear of property, if any; and in the case of mines a reasonable allowance for depletion of ores and all other natural deposits not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts.

The amendment was agreed to.

The next amendment was, on page 187, line 5, after the word "contracts," to insert the following proviso:

*Provided*, That mutual life insurance companies shall not be required to return as a part of their income any portion of premium deposits actually returned to their policyholders within the year for which the income-tax return is made, nor any portion actually credited to the policyholders by being applied as a deduction from the amount of the premium otherwise due to the company within the year for which the income tax is returned.

Mr. WILLIAMS. I ask in behalf of the committee that the proviso be recommitted.

The PRESIDING OFFICER. If there is no objection, that order will be made. The Chair hears none, and the paragraph stands recommitted.

The reading of the bill was continued.

The next amendment of the committee was, on page 187, line 21, after the word "reserves," to insert the following proviso:

*Provided further*, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them and interest paid upon such amounts between the ascertainment thereof and the payment thereof.

Mr. WILLIAMS. I ask that this proviso be recommitted.

The PRESIDING OFFICER. If there is no objection, that order will be made. The Chair hears none, and the paragraph stands recommitted.

The next amendment of the committee was, on page 188, line 5, after the word "exceeding," to insert "one-half of the sum of its bonded indebtedness and," so as to read:

Third. Interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding one-half of the sum of its bonded indebtedness, and its paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital employed in the business at the close of the year.

The amendment was agreed to.

The next amendment was, on page 188, in line 9, after the word "year," to insert the following proviso:

*Provided*, That in case of indebtedness wholly secured by collateral the subject of sale in ordinary business of such corporation, joint-stock company, or association, the total interest secured and paid by such company, corporation, or association within the year on any such indebtedness may be deducted as a part of its expense of doing business.

The amendment was agreed to.

The next amendment was, on page 188, line 20, after the word "association," to insert "loan"; in line 21, after "deposits," to insert "or on moneys received for investment and secured by interest-bearing certificates of indebtedness issued by such bank, banking association, loan or trust company"; on page 189, line 1, before the word "or," to insert "thereof"; in the same line, after "or," to insert "imposed by the"; in the same line, after "country," to strike out "as a condition to carry on business therein"; in line 6, after "income," to strike out "received" and to insert "accrued"; in line 18, after the word "mines," to strike out "an" and to insert "a reasonable"; in line 19, after "deposits," to strike out "on the basis of their actual original cost in cash or the equivalent of cash" and to insert "not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made," so as to read:

*Provided further*, That in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxation no deduction for the payment of the tax herein imposed shall be allowed; and in the case of a bank, banking association, loan or trust company interest paid within the year on deposits or on moneys received for investment and secured by interest-bearing certificates of indebtedness issued by such bank, banking association, loan or trust company; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof, or imposed by the Government of any foreign country: *Provided*, That in the case of a corporation, joint-stock company or association, or insurance company organized, authorized, or existing under the laws of any foreign country such net income shall be ascertained by deducting from the gross amount of its income accrued within the year from business transacted and capital invested within the United States, (first) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States, including rentals or other payments required to be made as a condition to the continued use or possession of property; (second) all losses actually sustained within the year in business conducted by it within the United States and not compensated by insurance or otherwise, including a reasonable allowance for depreciation by use, wear and tear of property, if any, and in the case of mines a reasonable allowance for depletion of ores and all other natural deposits not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts.

The amendment was agreed to.

The next amendment was, on page 190, line 1, after the word "contracts," to insert the following additional proviso:

*Provided further*, That mutual life insurance companies shall not be required to return as a part of their income any portion of premium deposits actually returned to their policyholders within the year for which the income tax is made, nor any portion actually credited to the policyholders by being applied as a deduction from the amount of the premium otherwise due to the company within the year for which the income tax is returned.

Mr. WILLIAMS. The proviso beginning in line 1, on page 190, and ending with the word "returned," in line 8, is identical with the one previously recommitted, and I desire that this also shall be recommitted.

The PRESIDING OFFICER. There being no objection to that course, it will be so ordered.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 190, in line 16, after the word "reserves," to insert:

*Provided further*, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment thereof and the payment thereof.

Mr. WILLIAMS. This is a repetition of the proviso previously recommitted, and I wish it also to be recommitted.

The PRESIDING OFFICER. Accordingly, that proviso will likewise be recommitted to the Committee on Finance, in the absence of objection.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 191, line 1, after the words "portion of," to insert "one-half of the sum of its bonded indebtedness and"; in line 15, after the word "thereof," to strike out "as a condition to carry on business therein" and to insert "or the District of Columbia"; and in line 17, after the word "companies," to insert "whether domestic or foreign," so as to read:

Third. Interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding the proportion of one-half of the sum of its bonded indebtedness and its paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital employed in the business at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States: *Provided*, That in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxation, no deduction for the payment of the tax herein imposed shall be allowed; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof or the District of Columbia. In the case of assessment insurance companies, whether domestic or foreign, the actual deposit of sums with State or territorial officers, pursuant to law, as additions to guarantee or reserve funds shall be treated as being payments required by law to reserve funds.

The amendment was agreed to.

The next amendment was, on page 191, after line 20, to strike out:

Third. The tax herein imposed shall be computed upon its entire net income for the year ending December 31, 1913, and for each calendar year thereafter.

And in lieu thereof to insert:

(c) The tax herein imposed shall be computed upon its entire net income accruing during each preceding calendar year ending December 31: *Provided, however*, That for the year ending December 31, 1913, said tax shall be imposed upon its entire net income accruing during that portion of said year from March 1 to December 31, both dates inclusive, to be ascertained by taking five-sixths of its entire net income for said calendar year.

Mr. BRANDEGEE. Mr. President, I notice in several instances in provisions similar to this the words "accruing during each preceding calendar year" are used. I wonder whether that better describes what is intended than would the word "accrued." It seems to contemplate a perfected thing that has happened during the preceding year, and I do not know but that the past participle of the word would more properly describe what is referred to. The word "accruing" would seem to me to contemplate a continuous process not yet completed, though I am aware it is sometimes used in a secondary way in another sense.

Mr. WILLIAMS. The Senator from Connecticut is right. The word ought to be "accrued" instead of "accruing."

Mr. BRANDEGEE. I call the Senator's attention to the fact that the same language occurs in several previous instances in the bill.

Mr. WILLIAMS. I think the Senator is right. I move to strike out the words "accruing during" and to substitute for them the words "accrued within."

The PRESIDING OFFICER. The amendment proposed by the Senator from Mississippi to the amendment of the committee will be stated.

Mr. WILLIAMS. The words first occur in line 25, on page 191, and I move the same amendment there.

The SECRETARY. On page 191, line 25, after the word "income," it is proposed to strike out "accruing during" and in lieu thereof to insert "accrued within."

The amendment to the amendment was agreed to.

Mr. WILLIAMS. I move the same amendment to the amendment of the committee, in line 4, on page 192.

The PRESIDING OFFICER. The amendment to the amendment of the committee proposed by the Senator from Mississippi will be stated.

The SECRETARY. On page 192, line 4, after the word "income," it is proposed to strike out "accruing during" and in lieu thereof to insert "accrued within."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 192, line 7, after the word "*Provided*," to strike out "*however*," and to insert "*further*."

The amendment was agreed to.

Mr. McLEAN. Mr. President, I should like to call the attention of the committee to the fact that there are manufacturing concerns that would be affected by the next proviso of the bill, which are neither corporations nor joint stock companies nor associations, and it has been suggested to me by those who own a very large concern in New England, which has several branches abroad, that they should have the same leeway as to the date of the filing of their returns, their estimates, and their tax as has a corporation. I suggest an amendment describing them as "any business or manufacturing concern," which would meet the situation suggested.

Mr. WILLIAMS. To what line does the Senator refer?

Mr. McLEAN. The phrase occurs in several places. I would suggest an amendment in line 9, on page 192, to insert between the word "company" and the word "subject" the words "or any business or manufacturing concern." We have many such concerns where brothers or other members of a family run the business.

Mr. WILLIAMS. If the Senator will draw up the amendments in the several places in which they should come, we will consider them.

Mr. McLEAN. I will call attention to it later.

Mr. WILLIAMS. Very well. The Senator may hand the amendments to the Senator from Indiana [Mr. SHIVELY] or to me.

The PRESIDING OFFICER. It is understood that these amendments may be offered later?

Mr. WILLIAMS. Yes; the Senator from Connecticut will hand the amendments to us and we will consider them. If we approve of them, we shall bring them in as committee amendments.

Mr. McLEAN. That is satisfactory.

The reading of the bill was resumed and continued to the word "reserves," on page 194, line 25.

Mr. WILLIAMS. Mr. President, I wish to have recommitted the proviso beginning with the words "*Provided further*," in line 25, on page 194, and going down to and including the word "thereof," in line 14, page 195.

The PRESIDING OFFICER. There being no objection, the part of the text referred to by the Senator from Mississippi will be recommitted.

The reading of the bill was resumed, and continued to the word "reserves," on page 196, line 8.

Mr. WILLIAMS. I ask that the proviso beginning on page 196, line 8, with the words "*Provided further*," down to and including the word "thereof," in line 23, be recommitted to the committee. It is identical with the other.

The PRESIDING OFFICER. There being no objection, the proviso referred to will be recommitted to the committee.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 196, line 25, after the word "exceeding," to insert "one-half of the sum of its bonded indebtedness and," and on page 197, line 23, after the word "country," to strike out "as a condition to carrying on business therein," so as to read:

Sixth. The amount of interest accrued and paid within the year on its bonded or other indebtedness not exceeding one-half of the sum of its bonded indebtedness and its paid-up capital stock, outstanding at the close of the year, or if no capital stock, the amount of interest paid within the year on an amount of indebtedness not exceeding the amount of capital employed in the business at the close of the year, and in the case of a bank, banking association, or trust company, stating separately all interest paid by it within the year on deposits; or in case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, interest so paid on its bonded or other indebtedness to an amount of such bonded or other indebtedness not exceeding the proportion of its paid-up capital stock outstanding at the close of the year, or if no capital stock, the amount of capital employed in the business at the close of the year, which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States. Seventh. The amount paid by it within the year for taxes imposed under the authority of the United States and separately the amount so paid by it for taxes imposed by the Government of any foreign country.

The amendment was agreed to.

The next amendment was, on page 198, line 22, after the word "as," to strike out "above," and in the same line, after the word "for," to insert "in this section or by existing law," so as to read:

All assessments shall be made and the several corporations, joint-stock companies or associations, and insurance companies shall be notified of the amount for which they are respectively liable on or before the 1st day of June of each successive year, and said assessment shall be paid on or before the 30th day of June: *Provided*, That every corporation, joint-stock company or association, and insurance company, computing taxes upon the income of the fiscal year which it may designate in the manner hereinbefore provided, shall pay the taxes due under its assessment within 120 days after the date upon which it is required to file its list or return of income for assessment; except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as provided for in this section or by existing law, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint-stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the 30th day of June in any year, or after 120 days from the date on which the return of income is required to be made by the taxpayer, and for 10 days after notice and demand thereof by the collector, there shall be

added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same becomes due.

The amendment was agreed to.

The next amendment was, on page 199, at the beginning of line 11, to strike out "Fourth" and insert "(d)," so as to read:

(d) When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such: *Provided*, That any and all such returns shall be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, if I can have the attention of the Senator in charge of this section, I wish to propose an amendment to be inserted after the word "President," in line 19, on page 199, and to read as follows:

*Provided further*, That the proper officers of any State imposing a general income tax may, upon the request of the governor thereof, have access to said returns or to an abstract thereof, showing the name and income of each such corporation, joint-stock company, association, or insurance company, at such times and in such manner as the Secretary of the Treasury may prescribe.

Mr. WILLIAMS. Mr. President, that amendment seems so absolutely unobjectionable that I imagine there will be no protest against it, and I shall take the liberty of accepting it.

Mr. LA FOLLETTE. I will say to the Senator that the suggestion of this amendment comes to me from the tax commission of Wisconsin.

Mr. WILLIAMS. I understand. It is merely to enable the State authorities to get information upon which they may base the administration of their State laws of like character.

Mr. LA FOLLETTE. I would like to say, further, Mr. President, that the same suggestion is made as to the returns of individuals, provision in regard to which occurs earlier in the section. Concerning that, however, I will talk to the Senator at his convenience.

Mr. WILLIAMS. I am afraid that that would involve too much expense. The amendment which the Senator has proposed would not.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). The amendment proposed by the Senator from Wisconsin will be stated.

The SECRETARY. After the word "President," at the end of line 19, page 199, it is proposed to insert the following:

*Provided further*, That the proper officers of any State imposing a general income tax may, upon the request of the governor thereof, have access to said returns or to an abstract thereof, showing the name and income of each such corporation, joint-stock company, association, or insurance company, at such times and in such manner as the Secretary of the Treasury may prescribe.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, in the hasty reading of the bill I was not quite able to follow, and I do not yet see, though there may be a reason for it, what is the meaning of the word "for," in line 6, on page 199. Let me read the part to which I refer, commencing in line 2:

And to any sum or sums due and unpaid after the 30th day of June in any year, or after 120 days from the date on which the return of income is required to be made by the taxpayer, and for 10 days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same becomes due.

Does that mean that only for 10 days 5 per cent additional shall be added?

Mr. WILLIAMS. I will ask the Senator to repeat his suggestion.

Mr. BRANDEGEE. Does it mean that the 5 per cent shall only be added for the period of 10 days?

Mr. CHILTON. Commencing 10 days after that.

Mr. BRANDEGEE. Then, I should think, if I get the idea of what is intended, it should read "and after 10 days after notice and demand thereof by the collector there shall be added the sum of 5 per cent," and so forth. I may be obtuse about it, but, as I have said, in the hurry of reading I did not understand it.

Mr. WILLIAMS. I think the Senator is right. I make the motion, or the Senator can make it, to strike out——

Mr. BRANDEGEE. Let the Senator make it.

Mr. WILLIAMS. I move to amend by striking out the word "for," in line 6, on page 199, and inserting the word "after" in lieu thereof.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 199, line 6, before the word "ten," it is proposed to strike out the word "for" and insert the word "after."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 200, after line 7, to insert:

In addition to the normal tax of 1 per cent as herein provided there shall be levied and collected an additional tax of 4 per cent per annum on the net income of railway corporations doing business in Alaska upon business done in Alaska, which shall be in lieu of the license tax of $100 per mile per annum now imposed by law.

The amendment was agreed to.

The next amendment was, in paragraph N, page 207, line 15, after the words "governments of," to insert "the District of Columbia," so as to make the proviso read:

*And provided further*, That nothing in this section shall be held to exclude from the computation of the net income the compensation paid any official by the governments of the District of Columbia, Porto Rico, and the Philippine Islands or the political subdivisions thereof.

The amendment was agreed to.

Mr. BORAH and Mr. JONES addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. BORAH. I yield to the Senator from Washington.

Mr. JONES. Mr. President, I move to amend the paragraph by inserting, after the words "Porto Rico," in line 6, a comma and the word "Alaska."

I desire to ask the Senator from Mississippi whether the committee gave any consideration to the proposition of giving to Alaska the same right you have given to Porto Rico and the Philippine Islands in regard to any income tax that may be collected in those jurisdictions?

Mr. WILLIAMS. Alaska is a regular Territory of the United States and is provided for under that language. Porto Rico is not a Territory, as the Senator knows; the District of Columbia is not a Territory, and the Philippine Islands are not. All the balance of our possessions are Territories, and Alaska falls under the general appellation of "Territories."

Mr. JONES. The point I make is that you allow all the revenue collected in Porto Rico and the Philippine Islands to go to those jurisdictions. While they may not be Territories in exactly the same sense that Alaska is, yet they have organized governments, much more so than Alaska. They have property titles far more than Alaska. The conditions in both those jurisdictions are far more favorable toward the collection of the tax and its use, even outside of those jurisdictions, than in Alaska.

Only last year we provided for a Territorial form of government in Alaska. The powers of the legislature there are very limited. They are not nearly so great as in the case of the legislative bodies of Porto Rico and the Philippines. No titles to real property have passed. They own practically nothing upon which taxes can be levied.

As a matter of fact, there is but very little income there except what is actually dug out of the ground. It seems to me we ought to help these people, if we possibly can, in starting their government. Their legislature first met in the spring of this year. They have no property that they can tax, because no titles can pass. About all the taxation they can raise is direct taxation.

It does seem to me that the conditions in Alaska should appeal much more strongly to those who favor a provision like this than the conditions in Porto Rico or the Philippines, and if the committee have not considered the proposition I wish they would do so.

Alaska must look to Congress for help. While we have given it a Territorial form of government, it is one of very limited powers. We have tied up all her resources, and while I hope we will open them soon, we have not yet done so. This is a small thing to do and we ought to do it gladly.

Mr. WILLIAMS. Mr. President, ever since this Government embarked upon the high seas of imperialism we have had one way of managing things in continental America and another way in the Philippines and Porto Rico. That never has met with the approval of my judgment, speaking individually. It has seemed to me that every foot of territory under the flag of the United States ought to be treated like every other foot of territory under the flag, and that there was no more reason why the Philippine Islands should be given the proceeds and benefits of Federal taxes than why Mississippi should be given them, much less Alaska. I never have seen any sense at all in it, as far as that goes. But we can not undo the whole system in this tariff bill, and we have recognized it as a thing that is existing. Hence this provision has been put in the bill. We do not care, however, to extend it still further to Alaska.

The truth is that all Federal taxes ought to go into the Federal Treasury, and taxes ought to be uniform everywhere. The truth is that this bill ought to apply to the Philippines as much as to the United States, as long as the Philippines are under our flag at all. But if we had undertaken to do it in this bill it would have brought on every sort of embarrassment. We would have had to amend all the laws that have been passed since we started upon this course.

I will say frankly to the Senator that I do not see any more reason why Alaska should not have the revenue collected from incomes in Alaska than why Porto Rico should have it; but I differ with him about wanting to give it to Alaska, because if I had my way I never would have given it to the others.

Mr. JONES. But, Mr. President, as a matter of fact, the committee have given it to Porto Rico and they have given it to the Philippines. I do not exactly appreciate the reason why it was given there. I do not think it should have been given. But it has been done, and I ask the same treatment for Alaska.

Mr. WILLIAMS. I think Porto Rico ought to be declared a Territory of the United States, the same as all our other Territories have been treated, and that we ought to get rid of the Philippines as soon as we can.

Mr. JONES. Porto Rico has a Commissioner on the floor of the House, who for all practical purposes has just as much authority as the Delegate from Alaska. The only difference is the difference between the names. They have an organized government in Porto Rico, much more comprehensive than that in Alaska. So if there are any reasons that appeal to us for allowing the people in Porto Rico and the Philippines to have this money, it seems to me that they should appeal to us all the more strongly in Alaska, where we are just starting a government and where, as I suggested a moment ago, they have no titles to land, as they have in Porto Rico and the Philippines.

Mr. WILLIAMS. This does not appeal to me any more strongly for Alaska than it does for Arizona or New Mexico, although they are States.

Mr. JONES. They are in the Union now, as States, and Alaska is the only Territory we have. It is separated from the main body of the country by several hundred miles. As the Senator has already said, there is certainly no more reason why these revenues should go to Porto Rico or the Philippines than why they should go to Alaska. In my judgment, there are far greater reasons why they should go to Alaska than to these other outlying possessions.

I had very much hoped the Senators in charge of the bill would be willing to allow Alaska to be treated the same as Porto Rico and the Philippines, and I hope the Senate will vote in that way.

Mr. WILLIAMS. I am sorry I can not accommodate my friend, but I can not think that way. It seems to me that that sort of thing has gone far enough and that we ought to retrace our steps rather than to advance further in that direction.

Mr. JONES. Of course Alaska is the only Territory we have left, besides Porto Rico and the Philippines; so that the proposition could not go any further.

Mr. WILLIAMS. I do not know; it may not be the only one we may have before we get through.

Mr. JONES. I hope it will be.

Mr. WILLIAMS. We have been left several times with very few Territories, but later on we had others.

Mr. JONES. I do not think we ought to be controlled in our action on this bill by the remote possibility of getting some other territory in the future. This bill is to deal with the present condition of things as they are.

Mr. GALLINGER. Mr. President, I am impressed with the suggestion of the Senator from Washington that Alaska might well be included in this list, but I wish to inquire why Guam is not included? Why is Porto Rico included and not the island of Guam? It has a governor.

Mr. WILLIAMS. I do not know.

Mr. LODGE. Or Tutuila?

Mr. GALLINGER. I think probably we ought not to take in Tutuila.

Mr. WILLIAMS. I think Guam is mentioned in the bill somewhere.

Mr. GALLINGER. I do not discover it.

Mr. WILLIAMS. You will find a general definition here, saying that wherever the word "States" is mentioned it shall include political subdivisions not mentioned elsewhere.

Mr. LODGE. Guam and Tutuila are excepted in the first section.

Mr. WILLIAMS. In the first section; that is what I thought.

Mr. LODGE. But they ought to be mentioned here, because they are there mentioned with the Philippine Islands. They ought to be mentioned here.

Mr. BRANDEGEE. They are mentioned in the first section only for purposes of tariff duties.

Mr. GALLINGER. That is all.

Mr. BRANDEGEE. This is the income tax.

Mr. LODGE. I think they ought to be included with the Philippine Islands. They are classed with them in the first section.

Mr. WILLIAMS. That may be.

Mr. GALLINGER. That was my view, and that is the reason I rose to suggest Guam. I see no reason why Porto Rico and the Philippine Islands should be dealt with more generously than our other possessions. I hope it will be consented on the other side that at least Guam may be included, and I assume that Tutuila is in the same attitude.

Mr. LODGE. Mr. President, I will suggest to the Senator from Mississippi, or to the Senator from North Carolina, that putting in Guam and Tutuila will make this section correspond to the first section. They ought to be enumerated. Where the Philippine Islands are spoken of as excepted, Guam and Tutuila ought to be excepted, too, for the sake of completeness, to conform to the first section.

Mr. WILLIAMS. I suspect the Senator is right. I am willing to accept that suggestion.

Mr. JONES. Mr. President, do I understand that the Senator from Mississippi is willing expressly to provide here that the income tax from these other Territories shall be left to them?

Mr. WILLIAMS. I did not understand that that was the suggestion of the Senator from New Hampshire.

Mr. BRANDEGEE. That would be the effect of inserting the names of those two islands.

Mr. JONES. Certainly.

Mr. WILLIAMS. Where would that amendment come in?

Mr. BRANDEGEE. On line 6, page 207.

Mr. WILLIAMS. The Senator from Washington is referring to one part of the bill, and this is a suggestion that is made to apply to the following part of it.

Mr. JONES. I understood it was made in connection with the part of the bill to which I have offered my amendment.

Mr. WILLIAMS. This part of the bill says:

That nothing in this section shall be held to exclude from the computation of the net income the compensation paid any official by the Governments of the District of Columbia, Porto Rico, and the Philippine Islands or the political subdivisions thereof.

Mr. GALLINGER. I will say to the Senator from Mississippi, if he pleases, that what I had in view was to add to the proviso which reads:

*Provided*, That the administration of the law and the collection of the taxes imposed in Porto Rico and the Philippine Islands shall be by the appropriate internal-revenue officers of those Governments, and all revenues collected in Porto Rico and the Philippine Islands thereunder shall accrue intact to the general governments thereof, respectively.

My suggestion was that I could see no reason why the island of Guam, which has a governor, should not also be included there. That was my purpose.

Mr. WILLIAMS. If that is what the Senator is talking about, I differ with him there. Guam is administered as what might be called a sort of a crown colony.

Mr. GALLINGER. It has a governor, has it not?

Mr. WILLIAMS. If I understand correctly—I may be mistaken—I think all the expenses in Guam are paid by the Federal Government, just as they are paid at a military station or reservation.

Mr. LODGE. I think that is true.

Mr. WILLIAMS. Then, of course, we do not want to have any income tax going to the treasury of Guam.

Mr. GALLINGER. I will say to the Senator that I was not aware of that fact, and I think it ought to be looked into. I had an entirely different impression.

Mr. JONES. Mr. President, I wish to say that this is a matter of very considerable importance, especially to the people of Alaska; and while I do not like to delay the consideration of the bill, I feel that I shall have to ask for a vote on the amendment I have proposed.

Mr. BRANDEGEE. If the Senator will allow me, before he asks for a vote, lines 7 and 8, on page 207, provide that this revenue "shall accrue intact to the general governments thereof." What would the Senator say was the general government of Alaska?

Mr. JONES. We have a legislature there; we have a treasurer and a governor—a Territorial government.

Mr. BRANDEGEE. Does it mean to pay it into the treasury of the Territory of Alaska?

Mr. JONES. Yes; certainly.

Mr. SIMMONS. Mr. President, would it not be just as proper to provide that this income should be paid into the treasury of a State? Alaska is certainly a Territory of the United States. These others here—for instance, Porto Rico—are not Territories of the United States. They are simply possessions of the United States. We have permitted them to use their own revenues for the purpose of paying the expenses of their own governments. But when you come to an organized Territory, so far as its relations to the Federal Government are concerned in the levying of Federal taxes, it stands upon a parity with a State.

Mr. SMITH of Arizona. If the Senator will permit me, the usual custom was to take everything from the Territories instead of giving them anything. That is my experience with national legislation in that particular.

Mr. SIMMONS. It may be that the Territories have not had quite a fair deal in the past. I do not know how that is. But I can see no reason why an income tax levied for the support of the Federal Government, if the taxpayer happens to reside in a Territory, should go into the treasury of that Territory any more than an income tax imposed upon an individual residing in a State should go into the treasury of that State.

Mr. JONES. But the Senator from Mississippi concedes that there is no more reason why the revenue coming from this tax in Alaska should go to the Federal Government than there was why it should go to it in Porto Rico or the Philippine Islands——

Mr. WILLIAMS. The Senator from Mississippi conceded that but asserted at the same time that it ought not to go into the local treasury in either event.

Mr. JONES. Certainly; but it does go into it in these other cases.

Mr. WILLIAMS. And the only excuse for it is that we could not disrupt existing conditions in this bill.

Mr. JONES. It certainly will not disrupt anything to bring this revenue into the Treasury of the United States; and it certainly would not disrupt anything to take this revenue and let it stay in Alaska, occupied by our own people, part of our territory, technically a Territory but without any lands or property upon which they can assess taxes to raise any revenue, most of its revenue coming from direct taxes, from licenses, and all that sort of thing. I can not see where there would be any disruption.

Mr. WILLIAMS. I meant by that statement that one rule has been established for continental America and another rule for the appurtenances or appendages of continental America, as the Supreme Court has called them. The Philippine Islands get all of their revenues. They get the import duties that are collected there.

Mr. JONES. Alaska does not.

Mr. WILLIAMS. In the Philippine Islands there is a good reason for it. We want to get rid of them in the course of time, and it is pretty well for them to have all their revenues kept there.

Mr. SMITH of Arizona. If the Senator will permit me to interrupt him, the Senator has no more sympathy for Alaska in its difficulties than I have.

Mr. JONES. I think that is true.

Mr. SMITH of Arizona. I presume I have had about as much experience with territorial existence and its relations to the Congress of the United States as any man who has ever lived in the whole world. I know what Territories suffer from. I see no reason, however, in this particular case for permitting the revenues under this bill to remain in Alaska any more than they should have remained in the other Territories which have now become States, except that in those days we had a greater freedom.

Alaska, by the course of conduct which has been followed toward her, has been absolutely robbed of the resources that she should necessarily have to support her government. I would suggest, rather, that the Senator from Washington and others join me in an effort to take the oppressive hand of the Government off of the property in the Territory of Alaska to which her people are entitled.

There never has been a Territory in the last 50 years that could not have easily taken care of itself if properly treated, and Alaska as easily as any of them, or easier, provided you will permit the brave and vigorous and strong spirits who have gone there to develop that country to have some sort of a right to develop it by getting possession of the resources of the Territory and using them, not only for their own benefit but in a way that will result in the greatest possible benefit to the common country. We ought to take the hand of the Government off of Alaska, or at least soften the grip, and give her a chance rather than to continue present conditions. This little income from taxes will amount to nothing and can do no good to Alaska, but may be held up against her when we try to give real aid.

Mr. JONES. I agree with all the Senator has so well said as to the treatment of the Territories and what Alaska might do if properly treated. He has said it much better than I could. The fact that we have treated the Territories unjustly in the past, however, should not be held as an excuse for continuing that injustice toward Alaska. While this will not do very much, it will certainly show a disposition on the part of Congress to deal at least fairly with the people in that far-away Territory, who are suffering under possibly far greater hardships than the people of any other Territory of the United States. I can not believe that Congress would take this for an excuse to treat Alaska unjustly in the future. That would be even worse treatment than we have accorded it heretofore, and that has been very bad.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. Certainly.

Mr. SMOOT. I wish to say that Alaska is treated with a great many more hardships than any other Territory that I know of, for the simple reason that all of her lands have been withdrawn. Nobody can get a foot of land in Alaska. Not a dollar of taxation is raised from the imposition of taxes upon lands there. She is off of the great highway of trade. There are a very few people in that vast territory struggling for existence. I recognize the truth of what the Senator from North Carolina says, that technically there would be no difference between taking this income and giving it to the treasury of a State on the one hand and giving it to the treasury of the Territory of Alaska on the other. The conditions in the two cases are entirely different, however. From a moral standpoint it does seem to me that we could at least do that much for Alaska for the reasons that have been so well stated.

Mr. JONES. Mr. President, I ask for the yeas and nays on my amendment.

Mr. KENYON. Let the amendment be stated.

The SECRETARY. On page 207, line 6, after the words "Porto Rico," the Senator from Washington proposes to insert a comma and the words "and Alaska."

Mr. BRANDEGEE. Mr. President, I do not see any reason for turning over the proceeds of this Federal income tax to the treasury of Alaska. Her people do not own the lands there. They lease them. They lease rights, and they make money, and they have incomes, and they are calling upon the Federal Government for a great many improvements. If they do not prosper there as other people do in their States, they are not compelled to stay there. If they want to raise money from their incomes for local purposes independently of the Federal income tax, they can impose one of their own, as other States do.

While I have nothing whatever against Alaska, I do not see any reason for making a special exception of that Territory and paying back to them for their own uses the moneys that the Federal Government raises for its uses.

Therefore I shall be compelled to vote against this amendment.

Mr. BORAH. Mr. President, I rose to offer the amendment which the Senator from Washington has offered. Having had considerable information from the Territory of Alaska as to the situation there with reference to taxable property, and the means by which they can raise taxes, I think they are entitled to this tax. They have not the property to tax, and under present conditions of governmental control they can not very well get it. If the country were open to exploitation or occupation as in other places there might be considerable logic in the argument of the Senator from Connecticut, but under present conditions it seems to me it is not well founded.

I do not desire to continue the debate, but I concur fully in what the Senator from Washington has said. The people of Alaska are building up that Territory under very adverse circumstances and conditions; and in my judgment they would build it up much more rapidly and efficiently if they were given an opportunity to do so. But certainly in building up their schools and their communities they need something in the way of taxes, and they ought to have that which is collected from them in this way.

Mr. SMITH of Arizona. Mr. President, reiterating my expression of sympathy for the people of Alaska, I think their condition is such that it will require much more for their relief than anything that could occur to them under this bill. For myself rather than put in a tariff bill a mere provision that they shall have covered into the treasury of the Territory the

taxes from the few people there who are able to pay them I should much prefer, if we still insist on keeping our hand on the throats of those struggling people, that we treat them as we have treated other dependencies of the United States, and provide for them out of the Treasury itself, provide for their government by paying the money to carry it on, or else give them an opportunity to run their government on the resources which they can easily run it on if they are given any sort of freedom.

I shall vote against this amendment; but fearing that that vote might reflect a want of sympathy for the people of Alaska, I felt it necessary to give this expression to my views on the subject.

Mr. CHAMBERLAIN. Mr. President, I am in cordial sympathy with the Senators who have expressed themselves in favor of opening up at least a part of the resources of Alaska to the people of this country, and I am usually in sympathy with the arguments of the Senator from Washington along this line. But I can not agree with him in reference to this particular amendment, for the reason that the Government of the United States appropriates quite largely for the support and maintenance of the government of Alaska. It makes contributions to its support which it does not make to any of the other States or Territories generally, and the money that might come to the Treasury through the imposition of this income tax would practically go back to Alaska again. So there is no particular reason why this amendment should be favored at this time.

I wanted to state this much, because I am not voting against the amendment because I am not in sympathy with the people of that country. Besides that I doubt very much if there are men in Alaska who have incomes generally that would be taxable under this provision. Those who have the largest interest in Alaska, those who have reaped the harvest from the resources of Alaska, are men who live principally in the United States proper, and many of them in the State of New York.

So I do not think there is any reason for the adoption of the amendment.

The PRESIDING OFFICER. The Senator from Washington demands the yeas and nays on agreeing to the amendment offered by him.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my pair the same as on the previous roll call, and withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine [Mr. BURLEIGH], and vote "yea."

Mr. MCCUMBER (when Mr. GRONNA's name was called). My colleague [Mr. GRONNA] is necessarily absent. He is paired with the junior Senator from Illinois [Mr. LEWIS]. I will allow this announcement to stand for the day.

Mr. MCCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. He being absent I will withhold my vote.

Mr. REED (when his name was called). I am paired with the senior Senator from Michigan [Mr. SMITH]. If permitted to vote, I would vote "nay."

Mr. THOMAS (when his name was called). I transfer my general pair with the senior Senator from Ohio [Mr. BURTON] to the Senator from Oklahoma [Mr. GORE] and vote "nay."

Mr. TILLMAN (when his name was called). I again announce my pair with the Senator from Wisconsin [Mr. STEPHENSON]. This announcement will stand for the day.

Mr. WARREN (when his name was called). I am paired with the senior Senator from Florida [Mr. FLETCHER]. I therefore withhold my vote.

The roll call was concluded.

Mr. BRYAN. I wish to announce that my colleague [Mr. FLETCHER] is necessarily absent on public business.

Mr. MYERS. Has the Senator from Connecticut [Mr. MCLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I am paired with that Senator and withhold my vote.

Mr. REED. I transfer my pair to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. LA FOLLETTE. I was requested to announce that the junior Senator from Minnesota [Mr. CLAPP] is unavoidably detained from the Senate. If present, he would vote "yea" on this amendment.

Mr. WILLIAMS (after having voted in the negative). I have just learned of the absence from the Chamber of the Senator from Pennsylvania [Mr. PENROSE], with whom I have a pair. I voted a moment ago. I want now to transfer my pair with the Senator from Pennsylvania to the Senator from Nebraska [Mr. HITCHCOCK], and let my vote stand.

The result was announced—yeas 28, nays 38, as follows:

YEAS—28.

| | | | |
|---|---|---|---|
| Borah | Crawford | La Follette | Root |
| Bradley | Cummins | Lodge | Sherman |
| Brady | Dillingham | Nelson | Smoot |
| Bristow | Fall | Norris | Sterling |
| Catron | Gallinger | Oliver | Sutherland |
| Clark, Wyo. | Jones | Page | Townsend |
| Colt | Kenyon | Poindexter | Weeks |

NAYS—38.

| | | | |
|---|---|---|---|
| Ashurst | Johnson | Robinson | Smith, S. C. |
| Bacon | Kern | Saulsbury | Stone |
| Bankhead | Lane | Shafroth | Swanson |
| Brandegee | Martin, Va. | Sheppard | Thomas |
| Bryan | Martine, N. J. | Shields | Thompson |
| Chamberlain | Overman | Shively | Vardaman |
| Clarke, Ark. | Pittman | Simmons | Walsh |
| Hollis | Pomerene | Smith, Ariz. | Williams |
| Hughes | Ransdell | Smith, Ga. | |
| James | Reed | Smith, Md. | |

NOT VOTING—29.

| | | | |
|---|---|---|---|
| Burleigh | Gore | McLean | Stephenson |
| Burton | Gronna | Myers | Thornton |
| Chilton | Hitchcock | Newlands | Tillman |
| Clapp | Jackson | O'Gorman | Warren |
| Culberson | Lea | Owen | Works |
| du Pont | Lewis | Penrose | |
| Fletcher | Lippitt | Perkins | |
| Goff | McCumber | Smith, Mich. | |

So Mr. JONES's amendment was rejected.

Mr. WILLIAMS. In behalf of the committee and in behalf of the Senator from Arkansas [Mr. CLARKE], I ask that the provision which I understand the Secretary is about to read, from line 18, on page 207, be passed over until Monday next, as the Senator from Arkansas wishes to speak upon it.

Mr. SIMMONS. If the Senator from Mississippi will pardon me, the Senator from Arkansas wishes section 3, on page 210, which relates to cotton contracts, passed over.

Mr. WILLIAMS. All right. We have not reached that.

Mr. CLARKE of Arkansas. In connection with the statement of the chairman of the committee, I will say that on Monday next I will submit some observations in support of that proposition.

The next amendment of the committee was, on page 207, after line 17, to insert:

O. That for the purpose of carrying into effect the provisions of Section II of this act, and to pay the expenses of assessing and collecting the income tax therein imposed, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1914, the sum of $1,200,000, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint and pay from this appropriation all necessary officers, agents, inspectors, deputy collectors, clerks, messengers, and janitors, and to rent such quarters, purchase such supplies, equipment, mechanical devices, and other articles as may be necessary for employment or use in the District of Columbia or any collection district in the United States, or any of the Territories thereof: *Provided*, That no agent paid from this appropriation will receive compensation at a rate higher than that now received by traveling agents on accounts in the Internal-Revenue Service, and no inspector shall receive a compensation higher than $5 a day and $3 additional in lieu of subsistence, and no deputy collector, clerk, messenger, or other employee shall be paid at a rate of compensation higher than the rate now being paid for the same or similar work in the Internal-Revenue Service.

Mr. WILLIAMS. I move to strike out the word "will," after the word "appropriation," in line 8, on page 208, and substitute the word "shall."

The amendment to the amendment was agreed to.

Mr. BORAH. In line 15, on page 208, after the word "Service," I submit the following amendment.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. On page 208, at the end of line 15, after the word "Service," insert:

It shall be the duty of the Commissioner of Internal Revenue to report annually to Congress full statistics as to the results of the income tax, which statistics shall show:

(a) The amounts collected in each taxing district.
(b) The number of persons contributing to the tax.
(c) The amounts allowed for exemptions.
(d) A classification of the income-tax payers in each district according to occupation.
(e) A classification of the taxpayers in each district and in the country at large according to the amount of income assessed to each.
(f) A classification of sources of income so far as shown by the returns.
(g) A detailed statement of amounts and kinds of income collected at the source.
(h) A classification of the amounts claimed and allowed as deductions, and such other information as he may deem pertinent and necessary.

Such report shall be made and filed on or before the third Monday of November of each year, beginning with the year 1914.

Mr. BORAH. Mr. President, I do not desire to take up the time of the Senate in discussing this amendment, but it is apparent upon the face of the amendment what is the object to be attained. It is to gather data for our intelligent action with reference to formulating an income-tax law. It will enable

us also, if we desire, to take up the subject in the future of differentiating as to earned and unearned incomes, and so forth. At any rate it will give us that which we have not now and which the English people acquired only after a long investigation.

I submit the amendment for the consideration of the Senate.

Mr. WILLIAMS. Mr. President, the committee had this identical provision before it. It was suggested by somebody down in the department and we went through with it. It seemed to us that it was not necessary to provide for all this annual expense in the shape of a report that perhaps would not be read. The information will be there; it can be obtained at any time by a resolution of either House upon the request of a Senator or Representative if he wants any particular part of the information. These rolls are made public rolls for certain purposes.

After a full consideration of it we concluded that it was better to leave that out of the bill at this time. Of course the object of it is purely statistical. We have all sorts of statistical bureaus all around everywhere, and we did not see any use of establishing another one. The main result of it would be to establish a new bureau with a new man at the head of it—I started to say earning—receiving probably $5,000 a year.

Mr. BORAH. I do not ask for any appropriation nor the creation of any bureau nor the appointment of persons for any extra services, but there is enjoined upon the collector of internal revenue the duty of classification, which he can do if he is required to do it by a very little additional expenditure.

Mr. WILLIAMS. I understand that; but the Senator must understand that this great report, with all its classifications and complications, must be made every year upon a new computation of incomes, and there would have to be a bureau and a lot of clerks provided.

If there is any particular information concerning the income tax, as to how many people there are paying incomes, for example, between $20,000 and $50,000 or between $50,000 and $100,000, or how many people there are paying incomes accruing purely and altogether from personal service, or anything of that sort, it could be obtained without keeping this bureau in constant operation and all this immense expense and creating a new bureau.

Mr. SMITH of Arizona. The record will necessarily show the facts.

Mr. WILLIAMS. The record will necessarily show the fact, and anybody having access to the record can ascertain the fact.

Mr. BORAH. The record will not show the fact at all.

Mr. WILLIAMS. Wait a minute. This morning, even, a couple of amendments were put upon the bill which gives access now for statistical purposes to the officers of the United States Government, giving the officers of the States upon the request of the governor access so that they could prepare statistical returns from the material in the office of the Commissioner of Internal Revenue attained in the process of administering this law.

Mr. BORAH. Mr. President, I will not urge any information upon the majority side that they do not desire.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Idaho [Mr. BORAH].

The amendment was rejected.

Mr. BORAH. Now, I want a yea-and-nay vote on the amendment following.

Mr. SMOOT. That is a part of the committee amendment, but it has not yet been read.

The VICE PRESIDENT. It is a part of the original amendment.

Mr. BORAH. I refer to that portion of the amendment beginning on line 16 on page 208 and ending with the word "appointment," in line 12 on page 209.

The Secretary read the remainder of the amendment of the committee, as follows:

For the administration, in the Internal Revenue Bureau at Washington, D. C., of this act in the collection of the tax aforesaid there shall be appointed one additional deputy commissioner, at a salary of $4,000 per annum; two heads of divisions, whose compensation shall not exceed $2,500 per annum; and such other clerks, messengers, and employees, and to rent such quarters and to purchase such supplies as may be necessary: *Provided*, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed: *Provided further*, That no person now in the classified service who shall be appointed an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment.

Mr. LODGE. I move to strike out from the amendment just read the first proviso. That proviso, of course, is a perfectly unvarnished attempt to take all these offices out of the classified service and make them the subject of political appointment and personal favoritism. The registers of the civil service contain an ample number of persons competent to fill the places mentioned here. They are people, both men and women, who have taken the examinations in good faith, believing that when the services of clerks were needed they would have their opportunity. It is a much quicker and better way, and you get a better class of clerks.

Mr. ROOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

| | | | |
|---|---|---|---|
| Ashurst | Hitchcock | Oliver | Smith, Ga. |
| Bacon | Hollis | Owen | Smith, Md. |
| Bankhead | Hughes | Page | Smith, S. C. |
| Borah | James | Perkins | Smoot |
| Brady | Johnson | Pittman | Sterling |
| Brandegee | Jones | Poindexter | Sutherland |
| Bristow | Kenyon | Pomerene | Swanson |
| Bryan | Kern | Ransdell | Thomas |
| Catron | La Follette | Robinson | Thompson |
| Chamberlain | Lane | Root | Tillman |
| Chilton | Lodge | Saulsbury | Townsend |
| Clark, Wyo. | McCumber | Shafroth | Vardaman |
| Colt | McLean | Sheppard | Warren |
| Crawford | Martin, Va. | Sherman | Weeks |
| Cummins | Martine, N. J. | Shively | Williams |
| Dillingham | Myers | Simmons | Works |
| Gallinger | Norris | Smith, Ariz. | |

The VICE PRESIDENT. Sixty-seven Senators have answered the roll call. There is a quorum present.

Mr. LODGE. Mr. President, I will repeat what I said. This proviso which I move to strike out arranges for the giving of these additional offices, made necessary by the addition to the work of the Internal-Revenue Bureau, over to political and personal favoritism, and sets aside the act of 1883 under which the civil service was first classified.

Mr. SIMMONS. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. LODGE. Certainly.

Mr. SIMMONS. I think the Senator from Massachusetts made his statement a little too broad when he said that the proviso provides that all the officers authorized to be appointed for the enforcement of this section of the bill shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. If the Senator will examine the language he will see that applies only to agents, deputy collectors, and inspectors.

Mr. LODGE. I am aware of that. I should have said the more important offices.

Mr. SIMMONS. His statement was very broad.

Mr. LODGE. Many of them are agents, inspectors, and deputy collectors. I suppose under the wording of the section that only those mentioned in the proviso are thrown out of the service.

Mr. SIMMONS. I think that is true.

Mr. LODGE. I do not question that.

Mr. SIMMONS. I want to state to the Senator——

Mr. LODGE. If I said all the officers, without exception, of course my statement was too broad.

Mr. SIMMONS. I want to state to the Senator that I think he will find in that respect this provision is an exact copy, or very nearly an exact copy, of the provision for the appointment of officers under the denatured-alcohol act, which was passed by the minority party only a few years ago when they were in the majority. As in that act so in this act, the authority of the Secretary of the Treasury to appoint is limited to two years.

Mr. LODGE. Mr. President, that may be the case; but I do not think that two wrongs make a right. These positions can all be filled perfectly well from the civil-service registers.

Mr. SMITH of Georgia. I should like to ask the Senator from Massachusetts if it is not true that there is a special examination required for each State, and is it not further true that in many of the States the registers are not now filled and that the new collectors do not find men upon them eligible for appointment as deputies?

Mr. LODGE. Mr. President, there are plenty of names on the registers to fill such places as these—an abundance of them.

Mr. SMITH of Georgia. I will state to the Senator that in my own State the collector had to get authority to appoint temporary deputies because there were only six on the list of eligibles in the State, and four of them had other positions and

did not want the small salary of about $1,200 that a deputy received.

Mr. LODGE. They can be sent from here perfectly well. There is no difficulty in filling the places; none whatever.

Mr. SIMMONS. I think, as a matter of fact, if the Senator will pardon me, that not only in the State of Georgia but in a great many other States, if not in all of the States, they are now holding examinations for applicants for positions in the Internal-Revenue Service. I know they have held examinations during this month and also in July in my State.

Mr. BRISTOW. Mr. President, I want to call the attention of the Senator from Massachusetts [Mr. LODGE] to the wording of the provision here; doubtless he has noticed it, but I want to read it. It is as follows:

That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto.

It is not left discretionary with the President or with the Secretary of the Treasury as to whether they may take these employees from the civil-service rolls, but it forbids them doing so.

Mr. LODGE. I was about to call attention to that point, but I am very glad the Senator from Kansas has done so. This makes it impossible for two years to put anyone into the service from any eligible list now or hereafter to be made.

Mr. President, at the time of the Spanish-American War, on the ground of immediate emergency, a large additional force of clerks was authorized without requiring a civil-service examination. It took longer to fill the places in that way than it would have done if the heads of departments had gone to the register; but emergency was made the ground of the change. As a result they got, as was the testimony of all the departments, an inferior class of clerks.

Of course, Mr. President, the object is simply to make political a certain number of positions commanding a fair salary. There is no other purpose in it. I think it a bad thing to break down the civil-service act in that way; but I do not want to take the time to argue here what has been argued again and again—the general question of the civil service. I think, however, this is a thoroughly bad provision. I move to strike it out; and on that motion I ask for the yeas and nays.

I also ask leave, Mr. President, to insert in the RECORD some brief letters from chambers of commerce in Massachusetts and in Ohio and from the civil-service reform associations—the National association and State associations—of Massachusetts, Illinois, and other States. All the statements are brief, and I should like to have them printed with my remarks.

The VICE PRESIDENT. Without objection, permission to do so is granted.

The papers referred to are as follows:

WORCESTER, MASS., *August 18, 1913.*

Hon. HENRY CABOT LODGE,
*United States Senate, Washington, D. C.*

DEAR SIR: At the last meeting of the executive committee of the Worcester Chamber of Commerce it was voted that the Worcester Chamber of Commerce go on record as opposing that provision of the Simmons-Underwood tariff bill as reported by the Senate Committee on Finance, which provides for the employment of agents, inspectors, deputy collectors, etc., required to enforce the income-tax law without requiring said officials to comply with the provision of the civil-service law.

The Worcester Chamber of Commerce is of the opinion that all the officials used by the Federal Government in the enforcement of this law should be certified by the Civil Service Commission exactly the same as all other officials are, this organization being informed that said Civil Service Commission has upon its registers a full complement of eligibles from whom selection can be made for these positions.

Any attempt to discriminate in favor of these employees is directly contrary to the spirit of the civil-service laws and is calculated to pave the way to further inroads upon a system which is now in general and satisfactory operation in this country. There appears to this organization to be no reason for making exception in this instance and in behalf of the Worcester Chamber of Commerce we desire to respectfully protest against any such exceptions being made.

For the WORCESTER CHAMBER OF COMMERCE,
By HERBERT N. DAVISON, *Secretary.*

—

FALL RIVER CHAMBER OF COMMERCE,
*Fall River, Mass., August 9, 1913.*

Hon. HENRY CABOT LODGE,
*United States Senate, Washington, D. C.*

DEAR SIR: I am inclosing herewith a copy of a protest sent by vote of the Fall River Chamber of Commerce to the Hon. FURNIFOLD MCL. SIMMONS, chairman of the Senate Committee on Finance, and relating to the provision of the Simmons-Underwood bill, by which a large force of agents, inspectors, and deputy collectors are to be employed without complying with the provisions of the civil-service law.

May we ask your efforts in preventing the passage of this provision?

Very truly, yours,

WILLIAM A. HART, *Secretary.*

FALL RIVER, MASS., *August 9, 1913.*

Hon. FURNIFOLD MCL. SIMMONS,
*Chairman Senate Committee on Finance, Washington, D. C.*

DEAR SIR: The Fall River Chamber of Commerce, by vote of its directors, desires to enter its protest against the provisions in amendment O of the Simmons-Underwood tariff bill, H. R. 3321, allowing for the employment of a period of two years of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. We believe that this arrangement is a serious step backward from the merit system now satisfactorily established in this country, and at the same time contrary to the protestations of the platforms of all three of the great parties in the recent national election. It is our belief that all appointments provided for in the bill should be made under the civil-service law, and we trust that this provision will not prevail.

Very truly, yours,

THE FALL RIVER CHAMBER OF COMMERCE,
WILLIAM A. HART, *Secretary.*

—

CLEVELAND CHAMBER OF COMMERCE,
*Cleveland, August 18, 1913.*

Hon. HENRY CABOT LODGE,
*Committee on Finance, United States Senate,*
*Washington, D. C.*

DEAR SIR: On behalf of the Cleveland Chamber of Commerce I urge upon your attention the undesirability of those portions of amendment O (pp. 207–209) of the Simmons-Underwood tariff bill, as reported by the Senate Committee on Finance, providing for the employment for a period of two years of a considerable number of agents, deputy collectors, and other employees without compliance with the provisions of the civil-service law.

As we understand this provision, it is a step backward in the efficient operation of the Government service, in addition to the immediate effect of placing the actual duties to be performed, duties of the greatest significance and importance, in the hands of political employees. We agree with the National Civil Service Reform League in believing that inefficiency and friction in the administration of law would be the inevitable result.

If we are correctly informed, the Civil Service Commission has upon its register a full complement of eligibles from whom selection could be made for these positions. It seems to us that the regulation is in violation of the spirit of the Democratic, Progressive, and Republican Party platforms.

Very respectfully, yours, W. S. HAYDEN, *President.*

—

THE WOMEN'S AUXILIARY OF THE
MASSACHUSETTS CIVIL SERVICE REFORM ASSOCIATION,
*Boston, August 1, 1913.*

Hon. HENRY CABOT LODGE,
*United States Senate, Washington, D. C.*

DEAR SENATOR LODGE: On behalf of the 1,100 members of the Women's Auxiliary of the Massachusetts Civil Service Reform Association I desire to express our earnest hope that you will use your utmost influence to secure the striking out of the clause under amendment O in the Simmons-Underwood tariff bill which permits the appointment of a large force of agents, inspectors, collectors, etc., outside the civil-service law.

To exempt these positions from the supervision of the Civil Service Commission will make possible appointments for political or personal motives instead of on the basis of merit, and thus will seriously handicap the work of enforcing the income-tax act. Such a backward step is especially to be deplored at a time when public sentiment so strongly favors economy and efficiency for the Nation.

Yours, respectfully,

MARIAN C. NICHOLS, *Secretary.*

—

SPOILS RAID IN THE TARIFF BILL.

[Memorandum of the National Civil Service Reform League in opposition to paragraph O of section 2 of the tariff bill (H. R. 3321).]

NATIONAL CIVIL SERVICE REFORM LEAGUE,
*New York, July 24, 1913.*

*To the Members of the Senate and the House of Representatives:*

The tariff bill (H. R. 3321) as introduced in the Senate provides for the employment for the period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. This provision is found in amendment O (pp. 207–209) appropriating $1,200,000 for salaries and supplies required to enforce the income-tax law. The provision referred to in full is as follows:

"*Provided*, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled 'An act to regulate and improve the civil service,' approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed: *Provided further*, That no person now in the classified service who shall be appointed an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment."

We can find nowhere in the report of the Committee on Finance, as printed in the CONGRESSIONAL RECORD, any reasons stated why this large force should be recruited outside the civil-service law. The only excuse for such a provision would be inability on the part of the Civil Service Commission to supply an adequate force within a reasonable time, but we are informed by the commission that it has upon its registers a full complement of eligibles from whom selection could be made for these positions. In view of the lack of any necessity for going outside the eligible lists to make these appointments this provision in the bill is a gross injustice to those who have taken the examinations and qualified for positions in accordance with the law and custom.

The number of clerks whose appointments are thus thrown open to political influences will run into the hundreds. Congress could continue their appointment by further legislation at the end of the two-year period and Senators and Representatives would be importuned by the force so appointed to grant an extension of employment or transfer to the classified service. There is no precedent for such a widespread exception since the days of the Spanish War other than the unnecessary

and ill-advised provision in the sundry civil appropriation bill of last year allowing temporary appointments in the Pension Office for a period of one year. At the time of the Spanish War emergency and in the face of full lists of eligibles a large force was appointed without regard to the civil-service rules. Before the lapse of any considerable time it was shown that this force was distinctly inferior in capacity to the regular civil-service employees, yet by subsequent legislation they were covered into the classified service.

This proposed legislation is an attempt to secure patronage at the expense of the merit system and is contrary to the civil-service planks in the platforms of the three great parties. The plank in the Democratic platform favored the enforcement of the civil-service law to the end that "merit and ability should be the standard of appointment and promotion rather than service rendered to a political party." The Progressive Party went on record as in favor of "the enforcement of the civil-service law in letter and spirit," while the Republican Party "stands committed to the maintenance, extension, and enforcement of the civil-service law."

We therefore ask your assistance in preventing any such spoils raid as is proposed in the tariff bill and in upholding by your vote the principles of your party that the subordinate civil service should be absolutely withdrawn from politics. We sincerely hope that you will refuse to record your vote in favor of this particular provision of the tariff bill.

Very respectfully, yours,

ROBERT D. JENKS,
*Chairman of the Council.*
GEORGE T. KEYES,
*Assistant Secretary.*

—

NATIONAL CIVIL SERVICE REFORM LEAGUE,
*New York, July 26, 1913.*

Hon. HENRY CABOT LODGE,
*United States Senate, Washington, D. C.*

MY DEAR SIR: Permit me to acknowledge receipt of your letter of the 25th instant addressed to Mr. Jenks as chairman of the council. We are very glad to learn that you are opposed to the provision in the tariff bill excepting from competition the large force of inspectors, deputy collectors, etc., required to enforce the income-tax act. In case you feel willing to speak against this proposal on the floor of the Senate, I take the liberty of presenting further arguments on this matter. As stated in our circular of recent date, the registers of the Civil Service Commission contain sufficient eligibles who can be immediately certified for appointment. The experience of the Civil Service Commission shows that little inconvenience is occasioned to the departments in supplying large numbers of employees. It is a misconception that it requires red tape and delay to set the machinery of the commission in motion. Hundreds of appointments can be made from the registers in a few hours, and it only remains to send printed letters of appointment to the persons chosen. For example, when the Record and Pension Office was created 140 persons were appointed in one day.

The civil-service rules also make ample provision for the transfer of trained employees from other parts of the service. In the organization of the Department of Commerce and Labor exceptions were found to be unnecessary, as that department was able to secure employees with the necessary qualifications by transfer.

The rules further allow unusual latitude in the organization of a new department. Legislation is unnecessary, as the President may make such exception from examination as he may deem wise. The proposal to exempt positions by law is opposed to the declared policy of the Senate Committee on Civil Service Retrenchment. In a report of March 9, 1898, this committee agreed that the "Executive has the power to make such modifications, i. e., exempting positions from the operation of the civil-service rules, as may be found advisable, therefore no legislation is needed."

The officers of the league will be grateful to you for any action that you may take to secure the elimination of the Senate amendment.

Respectfully, yours,

GEORGE T. KEYES,
*Assistant Secretary.*

—

CIVIL SERVICE REFORM ASSOCIATION OF CHICAGO,
*Chicago, July 25, 1913.*

Hon. HENRY CABOT LODGE,
*Member of Finance Committee, United States Senate,*
*Washington, D. C.*

DEAR SIR: We beg to direct your attention to the inclosed protest against amendment O to the tariff bill (H. R. 3321).

We urge you to use every proper influence to defeat this attack on civil-service principles.

Respectfully, yours,

R. E. BLACKWOOD,
*Secretary.*

—

CIVIL SERVICE REFORM ASSOCIATION OF CHICAGO,
*Chicago, July 25, 1913.*

To the Hon. F. McL. SIMMONS,
*Chairman, and the members of the Finance Committee*
*of the United States Senate:*

The Illinois and Chicago Civil Service Reform Associations in joint session vigorously protest against provisions in amendment O to the tariff bill (H. R. 3321, pp. 207–209) for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law, because—

It is in direct violation of the spirit of the civil-service law.

Hundreds of persons would be employed upon a spoils basis.

The Civil Service Commission stands ready to certify persons to be employed in enforcing the income-tax law.

To fill the positions by other than persons whose names appear on the eligible lists would be an injustice to those who have qualified by tests for such work.

Experience has shown that employees obtained in this manner are inferior in efficiency to those obtained through the operation of civil service.

We protest against spoils and urge that this amendment be defeated in the interests of merit and efficiency.

Respectfully,

WILLIAM B. HALE,
*Chairman of Joint Meeting.*
R. E. BLACKWOOD,
*Secretary.*

GENERAL FEDERATION OF WOMEN'S CLUBS,
*July 26, 1913.*

Hon. HENRY CABOT LODGE,
*United States Senate, Washington, D. C.*

DEAR SIR: The civil service reform committee of the General Federation of Women's Clubs, an organization representing a million women, respectfully urges that you use your vote and influence to defeat that provision of amendment O of the Simmons-Underwood tariff bill which would permit the appointment of agents, inspectors, deputy collectors, etc., without civil-service examinations.

The General Federation of Women's Clubs believes that efficiency and economy in government can be obtained only through the enforcement of the civil-service law.

Yours, respectfully,

IMOGEN B. OAKLEY,
*Chairman.*

—

WATERTOWN, MASS., *July 29, 1913.*

To the Hon. HENRY CABOT LODGE,
*Senate Chamber, Washington, D. C.*

SIR: The Massachusetts State Federation of Women's Clubs takes this opportunity to appeal to you to use your influence against the passage of amendment O of the Simmons-Underwood tariff bill (H. R. 3321). The proposed legislation is not only contrary to the interests of the public service but is diametrically opposed to the civil-service planks in the platforms of the three great political parties.

May we depend upon you to do all in your power to prevent the passage of this measure?

Yours, truly,

MABEL ROGERS TABOR,
*Chairman Civil Service Reform Department.*

—

NEWTON, MASS., *August 4, 1913.*

Hon. HENRY CABOT LODGE,
*Senate, Washington, D. C.*

DEAR SIR: The Simmons-Underwood tariff bill (H. R. 3321), as reported to the Senate, provides for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., who are to be appointed without civil-service examinations. This provision is under amendment O, appropriating $1,200,000 for salaries and supplies required to enforce the income-tax act.

On behalf of the Newton Branch of the Women's Auxiliary of the Civil Service Association, I take the liberty of writing you to urge you to use your influence against, and if necessary to vote against, this measure so diametrically opposed to the spirit of civil service reform.

I thank you for the interest I am sure you will take in a matter so vital to the improvement of the public service, and remain, dear sir,

Very respectfully, yours,

MARION A. (MRS. CHARLES H.) BUCK,
*Chairman of the Newton Branch.*

—

MANCHESTER, MASS., *July 30, 1913.*

Hon. HENRY CABOT LODGE,
*United States Senate, Washington, D. C.*

DEAR SENATOR LODGE: May I call your attention to the provision in the House of Representatives bill 3321 (the Simmons-Underwood tariff bill) for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law?

Of course, I know you would not approve of this in general, but may I bring to your notice the fact that during the War with Spain the War Department was given the power to make appointments outside the civil-service law, under the plea of emergency, and that, as a matter of fact, it took longer to make these appointments than it would have taken under the civil-service rules, as the commission had then, as it also has now, a large number of eligibles fitted for these positions? Furthermore, it was later found out and reported by the War Department itself that the appointees made in this way were inferior on the average to those that had been sent in by the Civil Service Commission, and that a large proportion of these patronage appointments proved so undesirable that fully 50 per cent had to be changed.

With kind regards, believe me,

Sincerely, yours,

RICHARD HENRY DANA.

Mr. ROOT. Mr. President, I do not think the question raised by the amendment the Senator from Massachusetts [Mr. LODGE] proposes can be disposed of by any reference to so trifling a matter as providing for the statute regarding denatured alcohol. We are now entering upon a new system of Government finance, a new system of raising the revenues for the support of the Government of the United States. It is a vast undertaking; it will involve the cooperation of an enormous number of Government employees; and the question raised is whether in this new departure, in the adoption of this new system of Government finance, we are to repudiate the existing civil-service system. Are the revenues of the Government of the United States hereafter to be raised and administered without reference to the hitherto established policy of the United States in regard to civil-service appointments? No reason has been given or can be given for inaugurating this new system with a return to the old method of making appointments without reference to merit, without selection upon examination, which will not continue to apply to the continuance of the system.

Mr. President, we have had here an exhibition not equaled in recent years of legislation through the method of party government. It is not my purpose to criticize the method adopted by the Democratic Party in securing the full force of its party membership in the Senate by means of caucus action; but, sir, the exercise of the power of party government involves party responsibility, and I beg my friends upon the other side of the Chamber to realize that their action upon the method of constituting this new force for collecting the revenues of our Gov-

ernment will be the test—they can not avoid its being made the test—of the sincerity of the Democratic Party in its professions of adherence to the principles of civil-service reform. If they reject this amendment and insist upon the method they propose here of constituting this new force, they must be held to be insincere if the professions they have made and to have abandoned the merit system in American politics.

Mr. STERLING. Mr. President, assuming that the effect of striking out the committee provision would leave these appointments to be made under the civil-service law and rules, I take occasion now to submit a few remarks, although I had myself prepared and introduced an affirmative amendment requiring the appointments to be made in accordance with the civil-service law.

It was my privilege, Mr. President, a few weeks ago to present to the Senate and to have printed in the RECORD the protest of the National Civil Service Reform League against the last paragraph of section O of the committee amendment to the income-tax portion of the bill. The Civil-Service Reform League in its protest states what must be obvious to every Senator here, namely, that nowhere in the report of the Committee on Finance is any reason stated why this large force of deputy collectors, inspectors, and agents should be recruited outside the civil-service law; that the only excuse for disregard of the civil-service law would be the inability on the part of the Civil Service Commission to supply an adequate force within a reasonable time; that instead of this being the situation it is the contention of the league that the Civil Service Commission has now on its registers a full complement of eligibles from whom selection could be made for these positions.

Mr. SMITH of Georgia. I ask the Senator from South Dakota what authority he has for that statement? Are the Civil Service Commission not limited in the appointments?

Mr. STERLING. If the Senator from Georgia will indulge me, I will produce——

Mr. SMITH of Georgia. Are they not limited in the appointments to the States in which the examination is taken and to the districts in which the examination was had?

Mr. LODGE and others. No.

Mr. STERLING. I think not.

Mr. SMITH of Georgia. They are.

Mr. LODGE. They can be sent from Washington.

Mr. SMITH of Georgia. On the contrary, I was advised by the Civil Service Commission that they are limited to men from the States and to the registers from the States.

Mr. LODGE. I think if they will open the examinations in the State of Georgia there will be plenty of excellent young men and women who will take those examinations and fill any vacancies before this bill goes into operation.

Mr. SMITH of Georgia. I do not think that a young man just out of high school is fit for one of these places.

Mr. LODGE. That is the old argument.

Mr. SMITH of Georgia. I will later impress it a little further.

Mr. STERLING. It is further shown, in view of the fact that we have the services of this commission, that it will be a gross injustice to go outside the eligible lists and appoint persons to these places who have never taken any examination or qualified themselves for the positions in accordance with law and custom; that the number of clerks whose appointments are thus thrown open to political influences will run into the hundreds; that Congress could continue their appointment by further legislation at the end of the two-year period; and that Congress would be importuned at the end of that period to grant an extension of employment or to cover all the appointments made thereunder into the classified service. I think we have already some examples of that. It is further contended that the proposed legislation is an attempt to secure patronage at the expense of the merit system, and that it is contrary to the civil-service planks of the platforms of the three great parties, and, I might say, notably of the Democratic Party during the last several campaigns.

The communication from the league is otherwise vigorous in its protest against this disregard of the law and the evident will of the people, as that will has been truly expressed, I think, in the several party platforms.

Some of the most distinguished citizens of our country are numbered among the officials of this great reform league. Their names appear on the face of the communication which I presented on July 25. They are the names of men distinguished for their great services in the cause of education, in the cause of literature, in the cause of jurisprudence, and in the cause of good government.

I am now, and have always been, in full sympathy with the purpose sought to be accomplished by the Civil Service Reform League and with the protest against this, as it appears to me, flagrant and needless violation of the principles of civil-service reform. So it was that on the day after presenting this communication I submitted the amendment to which I have referred, and which I think is rendered needless perhaps by the amendment offered by the Senator from Massachusetts [Mr. LODGE].

First, as to the necessity of the amendment proposed by the committee. My remarks, Mr. President, are largely for the purpose of submitting a record on which this vote may be taken.

The evidence at hand shows there is absolutely no necessity for this proposed method—this return to the spoils system. It will not be even a matter of convenience, let alone necessity, for the appointment of these hundreds of employees to be made in the manner proposed by the committee instead of according to civil-service rules. The "convenience," as I shall show conclusively, is all in favor of recourse to the law instead of the proposed provision here, which, for the purpose of these appointments, abrogates the law.

Here is our Civil Service Commission; the examinations have been had under it; men have answered to the test of ability and merit required; their names are now on the list of eligibles for the performance of these duties in the investigation of incomes and the collection of the income tax. If in the face of these facts the majority of this Senate are in favor of sustaining this committee amendment, it will be obvious that the purpose is purely political and partisan. The majority might well take warning, too, that the country will take note that such is the purpose.

But, adverting to the proofs, I send to the desk to be read by the Secretary a letter received from Hon. John A. McIlhenny, president of the Civil Service Commission, of date August 5, showing what the commission will be able to do in supplying these various positions.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

UNITED STATES CIVIL SERVICE COMMISSION,
*Washington, D. C., August 5, 1913.*

Hon. THOMAS STERLING,
*United States Senate.*

SENATOR: At the request of Mr. George T. Keyes, assistant secretary of the National Civil Service Reform League, the commission has the honor to advise you that there are ordinarily a sufficient number of eligibles at all times on first-grade registers of the commission available for certification for filling classified positions in the Internal-Revenue Service, such as deputy collectors, clerks, etc. Mr. Keyes calls attention to the provision in the tariff bill for the employment, for a period of two years, of a large force of deputy collectors, agents, and clerks to administer the income tax without complying with the provisions of the civil-service law, and to the amendment introduced by you eliminating this provision and providing that this large force of men shall be appointed in accordance with the provisions of the civil-service law.

Information was recently furnished the Treasury Department, showing the number of eligibles which would result from the annual first-grade examinations held throughout the United States in February, 1913. For many of the internal-revenue districts it was believed by the department that the register contained a sufficient number of eligibles to meet the needs of the service. In certain of the districts, however, the department advised that it was believed that additional examinations would be necessary. For this reason examinations were announced to be held throughout many of the internal-revenue districts of the United States on August 16, 1913 (in the internal-revenue district of Arkansas on Sept. 20, 1913). A list of these places is inclosed herewith, and it is trusted that this information will supply you with the facts desired.

Should the positions referred to in connection with the income-tax law be filled in accordance with the civil-service law, it would be possible to fill them not only from the registers referred to but also by transfer of competitive classified employees in the Internal-Revenue Service or other branches of the Federal service.

A copy of this letter will be sent to Mr. Keyes for his information.

By direction of the commission:

Very respectfully, JOHN A. MCILHENNY, *President.*

Mr. STERLING. Mr. President, I have here a list of the examinations held in various internal-revenue districts in several States of the country on the 16th of the present month. Mention is made of one State where an examination will be held on the 20th of September next. The list is entitled and gives notice as follows:

Places at which the first-grade or clerical examination for the Internal-Revenue and other field services will be held on August 16, 1913.

Prospective applicants may secure application forms and pamphlets of instructions from the local board of civil-service examiners at the place at which examination is to be held.

Date of closing receipt of applications, August 11, 1913.

Without reading further, I ask that the list may be printed in connection with my remarks.

Mr. SMITH of Georgia. Is that a list of questions propounded at the examination itself?

Mr. STERLING. No; a list of places where the examinations are to be held in the several internal-revenue districts of 18 States.

Mr. SMITH of Georgia. Very well.

The VICE PRESIDENT. Is there objection to printing in the RECORD the matter referred to by the Senator from South Dakota? The Chair hears none.

The matter referred to is as follows:

The internal-revenue district of Alabama: Birmingham, Ala.; Greenville, Miss.; Gulfport, Miss.; Hattiesburg, Miss.; Jackson, Miss.; Meridian, Miss.; Mobile, Ala.; Montgomery, Ala.; and Vicksburg, Miss.

The internal-revenue district of Arkansas (Sept. 20, 1913): Fort Smith, Harrison, Little Rock, Pine Bluff, and Texarkana.

The internal-revenue district of Connecticut: Bridgeport, Conn.; Hartford, Conn.; New Haven, Conn.; New London, Conn.; Newport, R. I.; Providence, R. I.; Stamford, Conn.; Waterbury, Conn.; and Willimantic, Conn.

The internal-revenue district of Florida: Cedar Keys, Gainesville, Jacksonville, Key West, Miami, Pensacola, Tallahassee, and Tampa.

The internal-revenue district of Georgia: Atlanta, Augusta, Columbus, Macon, and Savannah.

Fifth internal-revenue district of Illinois: Galesburg, Peoria, and Rock Island.

Eighth internal-revenue district of Illinois: Bloomington, Danville, Decatur, Quincy, and Springfield.

Thirteenth internal-revenue district of Illinois: Cairo, Carbondale, East St. Louis.

Seventh internal-revenue district of Indiana: Evansville La Fayette, New Albany, Terre Haute, Vincennes.

Third internal-revenue district of Iowa: Ames, Cedar Rapids, Denison, Dubuque, Fort Dodge, Mason City, Sioux City, Spencer, Waterloo.

Fourth internal-revenue district of Iowa: Burlington, Council Bluffs, Creston, Davenport, Des Moines, Iowa City, Ottumwa.

Second internal-revenue district of Kentucky: Bowling Green, Hopkinsville, Owensboro, Paducah.

Sixth internal-revenue district of Kentucky: Covington.

Seventh internal-revenue district of Kentucky: Ashland, Frankfort, Lexington, Maysville.

Eighth internal-revenue district of Kentucky: Danville, Middlesboro, Richmond.

The internal-revenue district of Louisiana: Alexandria, New Orleans, Shreveport.

Fourth internal-revenue district of Michigan: Escanaba, Grand Haven, Grand Rapids, Houghton, Kalamazoo, Manistee, Marquette, Muskegon, Sault Ste. Marie, Traverse City.

The internal-revenue district of Montana: Billings, Mont.; Boise, Idaho; Bozeman, Mont.; Butte, Mont.; Coeur d'Alene, Idaho; Great Falls, Mont.; Helena, Mont.; Idaho Falls, Idaho; Kalispell, Mont.; Lewiston, Idaho; Lewistown, Mont.; Livingston, Mont.; Logan, Utah; Miles City, Mont.; Missoula, Mont.; Moscow, Idaho; Ogden, Utah; Pocatello, Idaho; Provo, Utah; Salt Lake City, Utah; Sandpoint, Idaho; Wallace, Idaho.

Fifth internal-revenue district of New Jersey: Newark, Perth Amboy.

Fourteenth internal-revenue district of New York: Albany, Newburgh, Plattsburg, Troy.

Fourth internal-revenue district of North Carolina: Beaufort, S. C.; Charleston, S. C.; Columbia, S. C.; Durham, N. C.; Elizabeth City, N. C.; Georgetown, S. C.; Greensboro, N. C.; Greenville, S. C.; Newbern, N. C.; Raleigh, N. C.; Wilmington, N. C.

Fifth internal-revenue district of North Carolina: Asheville, Charlotte, Statesville, Winston-Salem.

Tenth internal-revenue district of Ohio: Lima, Sandusky, Toledo.

The internal-revenue district of Tennessee: Bristol, Chattanooga, Knoxville, Memphis, Nashville.

Second internal-revenue district of Virginia: Fredericksburg, Newport News, Norfolk, Petersburg, Richmond.

Sixth internal-revenue district of Virginia: Abingdon, Alexandria, Charlottesville, Danville, Lynchburg, Roanoke, Staunton, Winchester.

The internal-revenue district of West Virginia: Bluefield, Charleston, Clarksburg, Huntington, Martinsburg, Parkersburg, Wheeling.

First internal-revenue district of Wisconsin: Appleton, Fond du Lac, Green Bay, Kenosha, Milwaukee, Oshkosh, Racine, Sheboygan.

Second internal-revenue district of Wisconsin: Beloit, Eau Claire, Janesville, La Crosse, Madison, Stevens Point, Superior, Wausau.

Mr. GALLINGER. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from New Hampshire?

Mr. STERLING. Certainly.

Mr. GALLINGER. Mr. President, what I have most complained of heretofore in connection with the civil service has been that hundreds and thousands of young men and women are summoned from their homes to take civil-service examinations, and, after passing and going on the eligible list, they never receive an appointment. It costs five or ten or fifteen or twenty dollars, perhaps, for each one, and they are flattered with the information that they have passed the examination. They remain on the list for one year without an appointment; then they are dropped from the list, and if they want to get on it again, they are compelled to take another examination.

It seems possible that, anticipating this legislation, examinations have been held in the collection districts, and doubtless a large number of young men and young women have passed the examinations and are waiting for certification; and now it is calmly proposed to ignore this fact and make these appointments without reference to the civil-service law.

Mr. President, I think it is a violent thing to do. While I have not been a great admirer of the civil service as it has been administered in this country, in this particular instance it seems to me that it would be an injustice to the young men and the young women who have taken the examinations, and that it would be unpardonable on our part unless we rebuked it with our votes.

Mr. STERLING. Mr. President, I quite agree with the Senator; and in connection with what he has said as to the number of applicants for these places or of persons taking the examination, I will say that on inquiry made of the Civil Service Commission this morning I found that, while they have not obtained returns from the examinations held on the 16th of August, the estimate was that between 3,000 and 3,500 persons had taken the examinations.

Mr. President, the Civil Service Commission has communicated with the chairman of the Committee on Finance of the Senate in regard to this very situation, and he, the president of the commission, has kindly furnished me with a copy of the letter, without my having requested it. I desire to take the liberty of reading some extracts from that letter. The commission say to the Finance Committee:

The commission is not informed of the reasons for these exceptions from the requirements of the civil-service act. If it is necessary in the organization of a new service that latitude be allowed in the selection of employees, the President has authority to make exceptions from examination. It has been found wise that this authority be exercised by the President, since he may adapt it to the varying exigencies of the service and avoid extensive and unnecessary exceptions, which in the past have resulted in the appointment of persons of inferior ability, causing the work to be unnecessarily prolonged and its cost increased. The ability of the majority of persons appointed on the basis of political favor is far below the average of persons appointed to like positions by promotion, transfer, or through competitive examinations, and if additional employees for this service may be appointed as needed by the established methods, with such modification as the President may make, better service will be secured and efficiency and economy promoted.

In the case of the Spanish War emergency employees, of 1,242 persons appointed without reference to the provisions of the civil-service law nearly one-half had to be dropped as useless, and not because of failure of appropriation or reduction in force, while those remaining were as a class distinctly inferior to those selected from competitive examination. The exception of the Spanish War emergency employees was made for the ostensible reason that the commission was not prepared to meet such an emergency.

Just as has been intimated on the other side, the commission may not be prepared to meet an alleged emergency existing on the passage of this bill.

The commission said there was no need to depart from civil-service rules even then, great as that emergency was.

The letter continues:

The commission in its seventeenth report said:

"Never in the history of the commission were there so many names upon the eligible registers for all characters of positions necessary to carry on the increased work incident to the War with Spain as at that time; and, moreover, the commission had demonstrated its ability in times past to meet such emergencies.

Further, they say:

When positions are left to be filled without examination, the appointing officers are rarely left free to choose the best men.

The Internal Revenue Commissioner will be met with just that situation and just that condition, and if there are any subordinates under him who have recommending power or appointing power they will be confronted with that situation.

It has been the constant testimony of appointing officers that they are forced by political considerations to appoint to these excepted places men who are incompetent and who would never be appointed were they left untrammeled in the exercise of their own judgment.

Mr. President, if I was ever led to doubt the efficiency of our Civil Service Commission or to question the practicability of civil-service reform, that doubt has been dissipated by the contents of this letter from the president of the Civil Service Commission to the chairman of the Committee on Finance. I see that the commission is accomplishing great good, that its ideals and purposes are high, that it warns against a disregard of the law, that it anticipates the needs of the service, and does all it can in the way of improving the Government service.

Further, the president of the commission says:

If positions are required to be filled under the civil-service rules, appointing officers are freed from importunate solicitation and coercive influence from outside the service. That the committee which submitted the bill which later became the civil-service act intended to except very few nonpolitical places from its operation will be seen from the following extract from the committee's report:

"But the subordinates in the executive departments, whose duty is the same under every administration, should be selected with sole reference to their character and their capacity for doing the public work. This latter class includes nearly all the vast number of appointed officials who carry into effect the orders of the Executive or heads of departments, whether in Washington or elsewhere."

Not stopping to read all of this letter, I will merely read the concluding paragraph:

Upon a proposal to exempt certain classes of positions by law the Senate Committee on Civil Service and Retrenchment, in report of March 9, 1898, said: "The Executive has the power to make such modifications as may be found advisable, therefore no legislation is needed."

So, from that standpoint there is absolutely no need for this express legislation incorporated in this bill authorizing appointments to be made outside of the civil-service law and rules.

Now, Mr. President, to complete this record, I desire to call attention to a few declarations of the Democratic Party in its platforms in regard to civil service. I shall not go back prior to 1888 or prior to the civil-service law of 1883, although several declarations in favor of civil-service reform were made by the party prior to that time. But taking the platform of 1888, what does it say?

Honest reform in the civil service has been inaugurated and maintained by President Cleveland, and he has brought the public service to

the highest standard of efficiency, not only by rule and precept, but by the example of his own untiring and unselfish administration of public affairs.

I think that, to a large degree, is a deserved tribute to President Cleveland and his efforts to abide by and enforce the civil-service law according to its spirit.

I take just a short extract from the platform of 1892:

Public office is a public trust. We reaffirm the declaration of the Democratic national convention of 1876 for the reform of the civil service, and we call for the honest enforcement of all laws regulating the same.

These several declarations are not simply declarations in favor of the idea of civil-service reform, but they are declarations in favor of enforcing existing laws in regard to civil service.

Take the platform of 1896:

We are opposed to life tenure in the public service, except as provided in the Constitution. We favor appointments based on merit, fixed terms of office, and such an administration of the civil-service laws as will afford equal opportunities to all citizens of ascertained fitness.

Oh, you must consider the grand principles you have enunciated here, though just now you seem to think they are "more honored in the breach than in the observance."

Take the next platform, that of 1904:

The Democratic Party stands committed to the principles of civil-service reform, and we demand their honest, just, and impartial enforcement.

The principles have been enacted into law, and it is that law of which you demand the enforcement.

The platform of 1908 said:

The law pertaining to the civil service should be honestly and rigidly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than services rendered to a political party.

Yet here, in face of the fact that the Civil Service Commission certifies to the number on the eligible list, and certifies to the fact that examinations are being held sufficient to cover every possible need under the civil-service law, you are going absolutely to ignore it, and you have the hardihood to say so right here in this bill.

Again, the very last declaration—that of 1912—is:

The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party.

The Civil Service Commission is trying out the question of merit and ability with thousands now for the very purpose of ascertaining whether or not they are competent to perform the duties of inspectors, collectors, and agents under this law. Do you really believe in merit and ability? Then, when there is no need for going outside the law and the rules, why not now put into practice the splendid principles you have so loudly professed and in which, I think, your constituents, nay, the American people, now most heartily believe?

Why, with those many expressions of loyalty to the principle of civil-service reform, if I should be permitted to personify that principle, I think I would be quite justified in exclaiming:

Et tu Brute!

For in the face of such pretensions this is the unkindest cut of all.

Mr. President, we know the old saying, the declaration of the old principle which permeated and poisoned our politics for so long a time and was so detrimental to the interests of good government—

To the victors belong the spoils.

I want to call attention to one or two extracts here, and inquire if the Democratic Party to-day sanctions these expressions on the part of Democrats.

A Member of the present House of Representatives says:

I am opposed to the civil-service law as now administered and could not vote for any provision placing these positions under such civil-service law. In fact, I expect to introduce a bill to repeal the present law.

In this day and age of the world and at this time in the history of our country talk about repealing the civil-service law and going back to or approaching anywhere near the old and evil doctrine, "To the victors belong the spoils"! It is preposterous!

But here is another. He says:

I do not concur with the reasons you assign for your opposition to this feature of the income-tax provisions of the tariff bill.

And he boldly asserts:

I am one of those who believe that to the victors belong the spoils. I am not in favor of any of the provisions of the "act to regulate and improve the civil service."

I suppose before the election these men stood on the party platform. Have you, too, here in the Senate thrown off all disguises?

There is another saying—I will not say it is the saying of any author in particular, but in contrast, anyhow, to the saying, "To the victors belong the spoils," I here urge this expression, "To the victor belongs magnanimity." Not, Mr. President, a magnanimity which calls for a division of the spoils; nothing of that kind, but "magnanimity" means great-heartedness, great-mindedness; the great-mindedness which, putting aside the thought of mere party advantage, resolves to obey and observe a wholesome and beneficent law in which the people believe. That is the magnanimity we crave, and that is all.

Why, with these professions, how does it seem to say, "To the victors belong the spoils"? To the Democratic Party, civil-service reform again personified, it might say, as said the character in King Lear:

Despite thy victor sword and fire-new fortune,
Thy valor and thy heart, thou art a traitor.

A traitor to the principles you have proclaimed again and again, and which, aside from the spoils that tempt, you in your hearts now believe to be just.

So, Mr. President, without any necessity for it—but on the other hand, with convenience as a reason for making these appointments under the civil-service rules—where is the justification for this act to-day? It is not simply for civil service that I ask this, and that the friends of civil-service reform ask it, but here is a peculiar law, an income-tax law. I want briefly to call attention to some observations made by Judge Cooley in regard to such a law.

Time out of mind we have heard it said that an income-tax law is the most difficult of enforcement of all tax laws. The system of espionage involved, the inquisitorial methods necessarily employed, have rendered it an unpopular law. I do not believe such prejudice exists now as existed when Mr. Cooley wrote these lines. I believe to some extent it has been overcome. But the thing more than all others that has helped to overcome that prejudice is the fact that in an income tax the people see a more equitable distribution and some relief from the rapidly increasing burdens of taxation upon their property, State and municipal taxation. But there will still be objections to its enforcement and greatest care will be required to avoid prejudice against the law.

Judge Cooley said:

1. An income tax can not be enforced without minute inquiry into every man's affairs. In this regard the difficulties are found to be much greater in this country than in most others, because in older countries society is more steady and fixed; the people change their locality, their pursuits, and their business relations less frequently; and sources of income and probable returns are more open to public inspection. In most other countries, also, the supervision by the public authorities of private life and private business is more constant, minute, and particular than the ideas of our own people would tolerate—

We all recognize that is true and that that has made one great difficulty in the reconciliation of the people to an income-tax law—

and the traditions of our people—who remember the general warrants of the last century and who trace their liberties through resistance to inquisitorial inspection of private affairs and domiciliary visits of officials—are all such as to set them instinctively and firmly in opposition to the measures necessary to obtain the information on which the tax must be levied.

And much more to the same purpose. So I want to see the faithful, honest, efficient administration of this income-tax law, in which I believe and in the principle of which I believe. How shall we get it? By looking first to merit and to ability in these subordinate officials who are to inspect, who are to be the agents of the Government, and who are to collect the tax, and who can leave with the public the impression that they, the officials, are in no sense partisans, and that no person on account of party will be visited with their oppression or be the recipient of their favors.

Mr. SMITH of Georgia. Mr. President, I believe it was during the latter part of the administration of Mr. Cleveland that the civil-service law was extended over deputy collectors of internal revenue. With the reorganization of the service under Mr. McKinley, it was found that the civil-service examinations were unsatisfactory. The order of Mr. Cleveland was set aside, and appointments of deputy collectors were made without reference to the civil-service law.

I do not believe civil-service examinations, certainly not the present ones, are at all suitable to determine the question of merit for deputy collectors of internal revenue. The suggestion of the Senator from New York [Mr. ROOT], that the object was to get away from the merit system, I do not think is warranted. I regard the present examinations that are given by the Civil

Service Commission as utterly incapable of determining the question of merit for a deputy collector. I have examined a number of them. A bright young man out of the high school might take them, but very few business men 40 years of age could pass them.

Mr. ROOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. SMITH of Georgia. I do.

Mr. ROOT. May I ask the Senator from Georgia if he thinks the recommendation of a Congressman is a better means of determining merit than the examinations that are now held?

Mr. SMITH of Georgia. I think the recommendation of a Congressman would be better than this examination, but I think a competent collector would pass upon the qualifications of his deputies, and select good men, and select them on account of their merit.

Mr. ROOT. May I ask the Senator from Georgia, then, what there is left of the present merit system, if he would have the recommendation of a Congressman substituted for the examinations as a means of determining merit?

Mr. SMITH of Georgia. I did not state that I would have the recommendation of a Congressman substituted.

Mr. ROOT. Mr. President——

Mr. SMITH of Georgia. One moment; let me answer the Senator's question. I said I thought the recommendation of a Congressman was a better method than this examination. That was what I said.

I now yield to the Senator.

Mr. ROOT. I entirely fail to perceive any distinction between the last statement and the former statement of the Senator from Georgia. He now says he thinks the recommendation of a Congressman would be a better means of determining merit than an examination; and in this bill he proposes to substitute an appointment without examination, which we all know—everyone knows—means merely that the appointments will be made upon the recommendations of Congressmen. I ask, again, what there is left of the civil-service system, based upon merit as determined by examination, if the course proposed by the Senator is to be followed?

Mr. SMITH of Georgia. Mr. President, I propose entirely to distinguish these deputy collectors from the ordinary class of civil-service employees, and to show why they fall under a different head. I will answer the Senator from New York. He did not quote me correctly. I simply said that I believed that the recommendation of any Congressman, certainly from my State, would give a better deputy collector than the examination propounded by the Civil Service Commission in my State and I repeat it. I not only say that is true, but I say that the men who passed their civil-service examinations are not as suited for the service as the men that have been recommended to the collector.

Mr. GALLINGER. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. I do.

Mr. GALLINGER. Did I understand the Senator from Georgia to say that during the McKinley administration deputy collectors of internal revenue had been removed from the provisions of the civil-service law?

Mr. SMITH of Georgia. That is my information. I have not seen the order.

Mr. GALLINGER. I will say to the Senator from Georgia, upon information received within five minutes, that they are now under the civil-service law. I knew that to be the fact in my own State and I made inquiry of the Commissioner of Internal Revenue, and he states that to be a fact.

Mr. SMITH of Georgia. That they are now under the civil-service law?

Mr. GALLINGER. That they are now under the civil-service law.

Mr. SMITH of Georgia. I think they were again put under it some six or eight years ago.

Mr. GALLINGER. I think the Senator is probably right about that.

Mr. SMITH of Georgia. But what I was bringing to the attention of the Senate was the fact that Mr. Cleveland undertook to extend the civil-service law over them and President McKinley found that they were not suited to the civil service and took them out from under it. If I could do so——

Mr. LODGE rose.

Mr. SMITH of Georgia. If the Senator will allow me, I should like to make a few remarks before being interrupted. I should like to see every deputy collector taken out from under the present system of civil service.

Mr. LODGE. If the Senator will allow me at that point, I will say that I am sure he is going to see it.

Mr. SMITH of Georgia. No; I am afraid I am not. But this is one instance in which we are going to follow, I hope, the advice of our friends upon the other side, and exercise our own judgment, without waiting for advice from the other end of the Avenue.

Mr. LODGE. Subsequently the deputy collectors were all put back into the civil service.

Mr. SMITH of Georgia. Why, certainly. After the places were all filled, after the men were all appointed, the civil-service law was extended over them.

Mr. LODGE. Certainly; they did exactly what Mr. Cleveland did. He filled all the offices with Democrats, and covered them in. In the case of the deputy collectors Mr. McKinley did the same thing.

Mr. SMITH of Georgia. Not at all. Mr. Cleveland did not find them under the civil service. He put them there for the first time.

Mr. LODGE. After filling the positions he put them there.

Mr. SMITH of Georgia. He put them under civil service after the appointments had been made, as the Republicans have so often done in other cases.

Mr. LODGE. As both sides have always done.

Mr. SMITH of Georgia. No; you took them out from under the civil service, made appointments, and then put the civil service over your appointees.

Mr. LA FOLLETTE. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. SMITH of Georgia. Yes; I yield.

Mr. LA FOLLETTE. I hope the Senator will permit me to enter a dissent right there to his statement, "as the Republicans have always done everywhere."

As governor of the State of Wisconsin I had the opportunity to sign a civil-service law that covered not only all of the appointments ordinarily covered, but all legislative appointments as well. That law required every official in the State to pass the same examination and the same test for holding his office or remaining in his office that he would have had to pass had he been outside of the civil service and applying for appointment. There is one instance, anyway, where they were not covered in under the law.

Mr. SMITH of Georgia. Mr. President, I am not surprised at the course pursued by the governor of Wisconsin, but I am not willing to give the Republican Party credit for everything that is done by the Senator from Wisconsin. There are a great many things he has done, and still does, that the Republican Party generally can not claim credit for. I was referring to national appointments and national action, and I repeat that the Senator from Massachusetts is not justified in saying that the Democrats and the Republicans acted alike.

Mr. Cleveland did not remove from the civil service those he found under it. He extended the civil service over deputy collectors, and Mr. McKinley took them out from under it. I think Mr. McKinley was right about it. Now I wish to say why I think he was right about it.

Wherever an appointment can be filled by a young man just out of college, or just out of the high school, I believe in these competitive examinations, testing his scholarly acquirements, starting him in at the bottom, keeping the whole of the work under the civil service, and promoting solely upon the ground of merit. I believe in opening up to young men through the civil service just as wide and broad a field as possible for advancement in the Government service under the civil service.

What I am contending for is this: Deputy collectors get only about $1,200 a year. A young man just out of college is unfit for the work. You might just as well expect a big wholesale house in New York City to select its traveling salesmen from young men just out of the high school, or just out of college, and have efficient work on the road, as to expect a collector of internal revenue to select an efficient force from young men just from college.

There is no field for promotion in this service, and there is no room for any considerable advancement. A man of from 35 to 45 is needed to do the work. A man of some experience in handling men is needed. An ex-collector of taxes of any county would make a good deputy collector. An ex-sheriff would make a good deputy collector. Some man of middle age, who has had experience in doing work something upon the same lines, would do the service splendidly.

It might be that the Civil Service Commission could get up some kind of an examination, coupling with it tests of experience and age, that would be sufficient to decide by a civil-service test how to select men with merit for this work; but I deny

that the examinations they have been given are any tests of merit for this work. It never has been tried heretofore, because you filled them all up outside of the civil service. You have put in some since in that way, to be sure, but you have not undertaken to organize a force from the civil service.

Mr. LODGE. Why, Mr. President, large numbers who have gone in since the positions were covered into the civil service have gone in under the civil-service rules. These places of deputy collectors are not miraculous places. I suppose the Senator's remarks apply also to inspectors and agents as much as to deputy collectors, that their positions are so difficult that they can not be filled by examination.

Mr. SMITH of Georgia. That is not what I said. I said the examinations given are no test for fitness.

Mr. LODGE. We will discuss that later.

Mr. SMITH of Georgia. That is my position.

Mr. LODGE. I wanted to know if agents and collectors were in the same category.

Mr. SMITH of Georgia. I have not inquired particularly about them.

Mr. LODGE. They are in this proviso.

Mr. SMITH of Georgia. Then I think they are.

Mr. LODGE. Undoubtedly.

Mr. STERLING. Mr. President, will the Senator permit me?

Mr. SMITH of Georgia. Yes.

Mr. STERLING. Is not the presumption in favor of the man who has stood the theoretical test and taken the examination?

Mr. SMITH of Georgia. I do not think it is in this instance, and my observation is against it. The best men for the work who took the examination that I have examined did not pass it.

Mr. CUMMINS. Mr. President, will the Senator from Georgia yield to me?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. There is nothing in the law, is there, that would prevent the Civil Service Commission from holding just such an examination and applying just such tests as the commission believes will develop fitness? We now have a Civil Service Commission of which, at least, two members are new and were appointed by the present administration. What reason is there to believe that this commission will not prescribe such an examination as will test, so far as an examination can test, the fitness of men who are proposed to be appointed deputy revenue collectors or inspectors or the like?

It seems to me the argument of the Senator from Georgia is directed toward a command to the commission to hold the kind of examination which he believes ought to be held. I quite agree with him that there could be held an examination for clerks that would be entirely unsuitable to determine the fitness of collectors; but if we have a commission that does its duty, it seems to me we can secure fitness through the examination prescribed rather than through the recommendations of Congressmen.

Mr. SMITH of Georgia. The Senator asks me what reason there is for believing this commission will not do so. I have seen the examination papers that they sent out in August, and I do not think that examination is any test whatever of the fitness of a man for the position of deputy collector.

Mr. CUMMINS. Then, Mr. President, that simply proves that our commission is not doing its duty and is not applying the tests which ought to be applied in order to secure the most capable men for the offices.

Mr. SMITH of Georgia. Not necessarily. The commission has under it men who prepare examination papers, and who have been there for a long time. They are supposed to be trained and are supposed to use the best means that can be devised. Their means I consider a failure.

Mr. CUMMINS. I am not making any charge against the commission, for I have the highest regard for them. I am simply applying the charge which the Senator from Georgia has made.

Mr. SMITH of Georgia. I am not making any charge against the commission. I tell you what they have done, and I say I do not consider that examination any test. I feel sure that it is no test, and I apply it, then, to the men who took it, and I know that the least efficient for the particular service stood the examination, while the more proficient did not.

Mr. WEEKS. Mr. President, I want to ask the Senator from Georgia if there is anything in the argument which he has used in support of this provision which will not apply with equal force to all other similar civil-service examinations?

Mr. SMITH of Georgia. In answer to that question I will say that if it was exactly similar of course my argument would apply, but a few moments ago I undertook to distinguish a large class that were not similar.

Mr. WEEKS. One more question, Mr. President. Is this an indication of the tendency or the policy of the Senator's party regarding the civil service and its future application?

Mr. SMITH of Georgia. I am not prepared to say that it is, except as to a case like this. If I had my way, I would take every one of the deputy collectors out of the civil service and I would extend the civil service to every place where a young man could properly enter it and have a field for advancement as he grew in years and as he grew in experience.

Mr. WEEKS. One more question, Mr. President. Does not the Senator think that the Civil Service Commissioners could so frame their examinations that they would cover all the objections which he has made in this case?

Mr. SMITH of Georgia. I am not sure. I think that there would have to be a good many changes in the subordinate force in the civil service for them to have judgment enough to pass upon it.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. Yes.

Mr. McCUMBER. Do I understand that the Senator would have no examination whatever for these positions?

Mr. SMITH of Georgia. For what positions?

Mr. McCUMBER. For the positions he is speaking of.

Mr. SMITH of Georgia. I would take the deputy collectors out from under the civil service.

Mr. McCUMBER. Would the Senator have any system whatever of examination to determine their fitness or competency?

Mr. SMITH of Georgia. I do not at all think that is the best way to determine it. I think in the case of the deputies—a capable man to be selected—the experience and record of a man would better determine his fitness than any book examination.

Mr. McCUMBER. Does the Senator believe that the Commissioner of Internal Revenue would of his own volition select the men whom he desired or would he be influenced more or less by those who were responsible for his appointment?

Mr. SMITH of Georgia. Perhaps more or less by that; but I think also if he was a capable man he would pass on the men himself and reject any who were not competent.

Mr. McCUMBER. I think the Senator suggested a short time ago in his remarks that he thought the Civil Service Commission might promulgate some rules of examination that would determine the fitness and competency of men for these positions. Now, I want to ask the Senator this question, because I have already prepared an amendment to conform to the idea. Would he object to an amendment, inserting in line 6, on page 209, the words:

But upon such examination as to competency and fitness as may be prescribed by the Civil Service Commission.

So that while these appointees would not be under the civil service so far as relates to their right to hold like positions, and so forth, yet some commission would pass upon the competency or fitness of the persons applying for such positions. Could not the Senator conscientiously support an amendment of that kind?

Mr. SMITH of Georgia. I wish the Senator would read his amendment once more.

Mr. McCUMBER. I will read it as it would read with my amendment, as follows, and then the Senator will understand it:

That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto, but upon such examination as to competency and fitness as may be prescribed by the Civil Service Commission.

Mr. SMITH of Georgia. Mr. President, very frankly I would rather let the Secretary of the Treasury prescribe the rules for this particular class of officials than the Civil Service Commission. I think there are some men in the Civil Service Commission who prepare examinations, and who could not stand an examination for the positions they have if they were tested by the examination papers that they have sent out. I think as to deputy collectors they have shown no conception of the work, and they have lacked the knowledge they ought to have had with reference to the work in their scheme of testing the fitness of those who are to take the places.

Mr. McCUMBER. Why does the Senator think that we would obviate that by changing the examination from one arm or department or bureau of the Government to another?

Mr. SMITH of Georgia. I have seen one tried and it has failed. We would have a chance in the other direction. I know that the other examinations have failed.

Mr. BRISTOW. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Kansas?

Mr. SMITH of Georgia. Yes.

Mr. BRISTOW. I should like to inquire why the Senator favors the language used forbidding the President or the Secretary of the Treasury from taking those from the eligible list of the civil-service rolls if he thought it best? This language forbids him to do it.

Mr. SMITH of Georgia. We agree with you that sometimes it is just as well for us to act without advice.

Mr. BRISTOW. This is an administrative provision. I agree with the Senator that it is altogether proper for the legislative branch of the Government to legislate, but where it provides a system for the administration of the executive branch of the Government it seems to me some discretion might be left with the Executive as to the character of the subordinates upon whom he must depend to carry out the law. They are not legislative subordinates.

Mr. CHILTON. Mr. President, I wish to say, in response to what the Senator from Kansas stated, that I think he is totally in error in construing this language as he did. If he will look at the last proviso on page 208, he will see that there is really a legislative construction of the former provision. It reads:

*Provided further,* That no person now in the classified service who shall be appointed as an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment.

Clearly meaning that we do not mean to prohibit an appointment from the classified service now.

Mr. BRISTOW. I suppose that means that those who are now deputy collectors shall not be discharged if they happen to be assigned to this work.

Mr. CHILTON. No; it means if you appoint anyone from the classified service, which in contemplation of law may be done, he shall not lose his place; that is all.

Mr. BRISTOW. Now, then, let me read the first proviso.

Mr. SMOOT. Mr. President——

Mr. SMITH of Georgia. I yield to the Senator from Kansas, who was first on the floor, and then I will yield to the Senator from Utah.

Mr. BRISTOW. The first proviso reads:

That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled—

And so forth.

Mr. CHILTON. If the Senator will pardon me, that means that you are not required to comply with the act, but you may do so. That is, you may appoint persons either as deputy collectors——

Mr. BRISTOW. But the language is, if the Senator will permit me, that they shall be appointed by these officers, "and without compliance with the conditions" of the act of 1883. If that does not mean that they shall not be taken from the eligible list, I can not construe language.

Mr. SMITH of Georgia. I yield to the Senator from Utah.

Mr. SMOOT. I was simply going to suggest to the Senator that it seems to me the easiest way to stop the whole of this argument is to say, "We want the offices, and we intend to have them if possible." It seems to me that is the whole situation.

Mr. SMITH of Georgia. Mr. President, I will answer both the Senators.

In answer to the Senator from Kansas, I call his attention to the fact that the latter part of the clause applicable to appointments allows men to be taken from the classified service. The first clause means that they shall not be subject to the examination that has been held by the Civil Service Commission for deputy collectors. They may be selected from men already in the civil service and not lose the right of returning to the civil service.

Now, with reference to the suggestion of the Senator from Utah, if we had had intelligent examinations in my own State, of a character that would really test the fitness of men, I would vastly prefer they should get places that way than by political designation. So far as Representatives and Senators are concerned, the responsibility about suggesting men for office is not a political asset, but a liability.

Now, Mr. President, if I may be allowed for five minutes to express my views without interruption, I do not believe that so far the examination by the Civil Service Commission tests the fitness of men for these small-salaried places, which require men of some experience and business capacity. These positions are easily distinguished from the class of positions where there are a large number employed, some at small salaries, some which quite young men without experience can fill, and where there is an inducement to enter the service by the chance of promotion. They are distinguished because these places have no promotions in them and they take a full-grown man to start with. They take, as nearly as you can get him, as capable a man as a wholesale house or factory would employ to travel through a State and look after business on the road. It is that class of men who are needed to do this work efficiently, and a young man just out of school or college has not the training and is not fit for it. It is not a clerical position in an office where you can start a young man and promote him.

Mr. LODGE. That is not the case with most of the offices.

Mr. SMITH of Georgia. It is with the agents and deputy collectors and inspectors. We are not freeing the clerical force from the civil service. We have expressly distinguished between the clerical force and the field force. We intended this provision to apply only to that class of men who are sent out on the road, and a class of them doing work, as I said before, like the highest class and best-paid traveling men for big wholesale or manufacturing plants. I should like to know what wholesale house in New York City, being just organized and going into business, would undertake to hold a civil-service exclusively book examination for the selection of its force of traveling men. I wish to know what wholesale house in New York City, if half of its traveling men resigned, would undertake by the examination prescribed by the Civil Service Commission to fill up the vacancies existing in its force. The Senator from New York [Mr. ROOT] urges a merit system. If a business house followed such examination to select its force, it would not be in business very long.

Mr. BRISTOW rose.

Mr. SMITH of Georgia. I would rather not yield to the Senator now. I have been interrupted so often that I should like to finish.

My reason for justifying President McKinley in taking these deputies out of the civil service is that a book examination is a very poor test, beyond reading, writing, and arithmetic, of the fitness of a man for the place. If you test his mental culture by an advanced examination, no man of 45 with any business capacity would wish the place. To illustrate, the questions in geography in the recent examination covered little towns scattered over the United States, with which I do not believe any Senator, except from the State in which the towns are located, would be familiar. I doubt whether half the Senate could take the examination.

I would rather risk the Commissioner of Internal Revenue to select a capable force of men to do this work. I believe he would select them with just as much care as any one of us would select a collector for his State, and I am sure no Senator would select a collector for his State that he was not confident would fill the place well.

Now, the Senator from Kansas wanted to ask me a question.

Mr. BRISTOW. I wanted to suggest to the Senator, by his permission, that there is a wide difference between the running of a wholesale house and the administration of a Government position. The Senator knows well that the man in control of a wholesale house is interested in the development of a business for profit. The man in charge of a political office in Georgia or Kansas or any place else is appointed there, if it is outside of the civil service, nine times out of ten because of political service that he has rendered to members of the party in power. The Commissioner of Internal Revenue is not free to go out and select the men who he thinks will administer the office better as is the man in charge of a business concern; he is bound by political obligations and ties. Now, we may theorize all we please, but that the Senator from Georgia knows to be a fact. I do not claim that Senators are any better than anybody else when it comes to appointments to office. The Senator from Georgia is as honorable and high minded as any Senator on this floor, and when he recommends a man for office in Georgia he recommends nine times out of ten some political friend who has rendered service to him. Of course he thinks he can properly discharge the duties of the office or he would not recommend him. The result of such an appointment has been such that the American people thought it best for their Government to establish a civil-service system and through that system to select men independent of political obligations.

Now, the Senator has arraigned the Civil Service Commission for incompetency. If it is incompetent, then it ought to be removed and competent men selected. If there are men in charge of the administration of that bureau who are not properly doing their duty, the commission should change them by reductions or transfers to positions which they can properly fill, or remove them if they are not fit for the service. But when one undertakes to make a comparison between a political and business administration, the comparison does not properly lie.

Mr. SMITH of Georgia. The Senator's reference to appointments in my own State has made the suggestion to me to still further illustrate the distinction I draw between these deputies and a large number of places under the civil service. The Sen-

ate during the present week confirmed the new postmaster at the city where I live, which ranks among the cities having the largest postal receipts in the United States. Here there is a large force of men with varying salaries. I would not take a man in his force out from under the civil service. There is a splendid opportunity in this service to obtain proficiency through the civil service. They enter at from $600 to $900. The best men to enter are young men, and they are promoted until their salaries reach quite competent pay.

The same is true in the Railway Mail Service and in all the postal service. I was distinguishing these lines of appointment, because they were all places of small pay—$1,200 is about the pay—with no chance for an increase, and not suited to men without some business experience. I was not arraigning the Civil Service Commission. I was stating a fact. I have no doubt they do the best they can, but I do say that they have not found a way properly to test the selection of men of this character, and it is very difficult to find a way to test the capacity and fitness of a man where the position requires some business ability, some maturity, some knowledge of men, and yet is a poorly paid place which does not require any scientific knowledge and which does not offer the opportunity for promotion.

I am in favor of keeping the civil-service law over places that open a field to young men, that will be an inducement to them to enter and make the Government service their life work.

Mr. CUMMINS. Mr. President——

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. The remark just made by the Senator from Georgia emboldens me to ask him his opinion concerning an amendment which I intend to offer to the clause under consideration if it shall be adopted.

Mr. SMITH of Georgia. I hope the Senator will not ask me whether I will vote for the amendment.

Mr. CUMMINS. Oh, no.

Mr. SMITH of Georgia. But I will promise him to consider anything that comes from him.

Mr. CUMMINS. I ask the Senator his opinion with regard to it, but not as to how he will vote upon it. If this change shall be effected in the civil-service law I shall offer this amendment, which I think is in absolute harmony with the suggestion just made by the Senator from Georgia——

Mr. SMITH of Georgia. I will yield the floor to the Senator from Iowa. I have been on the floor so much longer than I intended to be that my associates on the Finance Committee will never forgive me if I take up any more time.

Mr. CUMMINS. Mr. President, I want the Senator's opinion about this amendment, because it may lead to a good deal of light. I shall propose this:

*Provided further*, That the person so appointed without the examination provided by the said act approved January 16, 1883, and acts amendatory thereof, shall not be covered into the regular classified service without competitive examination.

I am not going to argue it now, but I ask the Senator from Georgia whether he is not of the opinion that that is necessary in order to complete the very purpose he has in view?

Mr. SMITH of Georgia. I was interrupted, and did not exactly catch the language of the proposed amendment.

Mr. CUMMINS. If this proposed act passes, we are about to appoint a great many men and women to the service without examination. Of course the Senator from Georgia knows that once they are appointed to the service they can be covered into the classified service by an Executive order. Then they become officeholders for life or during good behavior or during competency, and are capable of being transferred into any other department of the service to which they may be eligible. Therefore I shall propose—I think it is in exact harmony with the suggestion made by the Senator from Georgia—that these special people, if they are not required to take an examination, ought not to be permitted to hold any other places than those to which they are appointed, and they ought not to be protected in their tenure by the civil-service law, but ought to retire at the will of the appointing power. Therefore I shall propose this:

*Provided further*, That the person so appointed without the examination provided by the said act approved January 16, 1883, and acts amendatory thereof, shall not be covered into the regular classified service without competitive examination.

Mr. SMITH of Georgia. I will say to the Senator from Iowa that while I am not prepared at this time to vote with him the amendment suggested by the Senator impresses me most favorably.

Mr. LODGE. Mr. President, since I took my seat in the House of Representatives in December, 1887, down to the present time I have tried to fight for the maintenance and the extension of the civil-service system. I have fought with my own party, I think, quite as often as I have with the party on the other side, and though I may not have effected much I have acquired a considerable familiarity with the arguments which are made when gentlemen want to get offices for political distribution. They have always been the same from the beginning; there has been no change in the arguments, though the illustrations may vary a little.

In the earlier days, when the civil-service system was struggling into life, it was common to hold it up to ridicule and to say, "You want to examine clerks here in the departments and you examine them in Greek and Latin; it is the Chinese system; you examine them in the higher mathematics." Of course that was never done; and still that kind of argument did very well at the time. As the character of the examinations became generally known the burlesque as to the examinations had to be abandoned, and the opponents of the system came down to the general proposition, when they wanted to get an office for political distribution, that the examination was bad—I am always perfectly certain that that will be said; that it does not test the fitness of the person properly—I am always perfectly certain that that will be said; and also that no Senator and no Member of the House could pass the examination if it was presented to him. I waited with interest to hear the Senator from Georgia [Mr. SMITH] say that, and I was not disappointed; he did.

Mr. SMITH of Georgia. And I think it is true.

Mr. LODGE. I have no doubt it is; I have heard it repeated here at intervals within the last 26 years, and I expect to hear it again.

Mr. SMITH of Georgia. I have not heard it since I have been here.

Mr. LODGE. Perhaps we have not had a civil-service discussion, though I think we have. While the last Republican administration was in power I think I remember making a fight against any amendment of the law in regard to covering in certain appointments, in which I found the Senator from Georgia, with the traditions of the Cleveland administration strong about him, one of the most ardent civil-service reformers that I have ever met.

Mr. SMITH of Georgia. Mr. President, I will ask the Senator from Massachusetts if the places we then had under consideration were exactly the same class of places as those to which I have referred to-day?

Mr. LODGE. They were not the same places that are now to be distributed; no.

Mr. SMITH of Georgia. And not the kind?

Mr. LODGE. Not the same kind that are now to be distributed; no.

Mr. SMITH of Georgia. I would be with you again in that same fight.

Mr. LODGE. The case that is under consideration for political distribution is always a little different from all the other cases, and though the illustrations have varied there are certain figures that have always marched with me in civil-service debates during the last 24 years; there is always the high-school boy; there is always the college graduate; generally the schoolteacher—he was omitted to-day, but the high-school graduate and the college graduate have always been with us in these debates. They are open to the charge, the crime, of being young men, which is a charge that is always made. Those dark figures have passed through these debates, casting their baleful shadow over the pathway of the experienced, valuable business man who can not take an examination. There the high-school boy and the college graduate have been shutting out the invaluable business men who can not take an examination.

I have great respect for all those figures and all those arguments. They are all old, and they deserve the respect which age inspires; but, Mr. President, now, as always, the real purpose is that on one side or the other we want to make political appointments to some office. I do not think there is any moral turpitude in that desire; I think it is a very natural one; we have all had it; but that is the real purpose behind this provision.

There is nothing very wonderful in the duties of a deputy collector or an agent or inspector of internal revenue. The work a deputy collector has to do in many districts is office work similar to the work performed by the collector. In some districts, no doubt where there is illicit whisky distilling, the deputy collector has to lead a more active life, and if the examination in such cases could be extended to test his readiness with a gun I think it would be very well, and perhaps better men would be secured for the place. Such a test might be added for those districts. As a rule, however, there is nothing very complicated about the duties of a deputy collector. Such a position is no more difficult to fill than a clerical position in any other branch

of the service; it is no more difficult to fill than the office of gauger or deputy collector in the customs service, or a thousand and one offices which require honesty, character, intelligence, good common sense of a reasonable sort, and also a reasonable degree of education.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. LODGE. With pleasure.

Mr. CHILTON. The Senator mentioned honesty as one of the requirements of a deputy collector. Does he recall that the law makes the collector liable for any dereliction or default of a deputy? The law goes so far as to make him not only liable upon his bond, but it makes him liable in a criminal prosecution for any default of the deputy.

Mr. LODGE. I am aware of that, Mr. President.

Mr. CHILTON. Would the Senator be willing to let an examination be held in Washington of girls and boys and men—I am not after the boys—and appoint people from the District of Columbia, from Ohio, and from Pennsylvania and send them to the State of Massachusetts, where the local officer upon his bond is liable to the Government for any dereliction? Would the Senator be willing to do that, or would he not want to make the selection himself and determine himself as to the honesty of the appointees? Is not defalcation really the first thing that should be guarded against? Does the Senator not think that makes this provision an exception and quite a different case from that of a clerk who has not the responsibility which makes the danger great?

Mr. LODGE. I know that argument also, Mr. President; it is an old friend; it has been met very largely by bonded officers taking bonds from their subordinates. Of course, if they take bonds from their subordinates, I will admit that you at once introduce an element which is dangerous to the experienced and invaluable business man who can not take an examination, because sometimes he can not furnish a bond. Of course a collector has the right to protect himself, and, as a matter of fact, such officers do protect themselves. Where their subordinates are civil-service appointees the superior officer takes a personal bond.

But, Mr. President, the collectors are not going to fill these places. We all know that. If it were left to the collector alone—though I think we probably should do better than we do on the average under the civil-service system—if it were left solely to the collector or solely to the Secretary of the Treasury or solely to the Commissioner of Internal Revenue, looking merely at his administration, we should get a pretty good body of men; but the collector does not make the appointment, though he is responsible for the conduct of the service. Senators and Members of the other House make them, although they are not responsible for the conduct of the service, and that is the most vicious thing in the whole system. We may cover it up with all the fine phrases we please, but every one of us who has been in politics and has had experience knows that those places are filled by the heads of departments on the recommendation of Senators and Members of the House, who are not responsible for the administration of the department.

Mr. CHILTON. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. LODGE. With pleasure.

Mr. CHILTON. Since the Senator has had the experience and appreciates what it is, I want to say to him that I have never had that pleasure, and I should be pardoned for wanting to have the same experience that he has had.

Mr. LODGE. Naturally; and this clause has been put in to gratify that very natural desire on the part of the Democratic Party. That is the honest reason, and there is no need to be ashamed of it. If you choose to argue it, I do not think it is for the best interest of the Government, but an honest reason squarely stated is all right. You may disagree with it, you may try to defeat it, but at least it is straightforward and honest.

Now, a word as to private business, which is another familiar argument. Private business is a constant examination. If the traveling man or the agent, or whoever he is, does not do well, he is dismissed. He is acting under an examination of the most effective possible kind, but a man who enters office on a political appointment, with strong influence behind him, and does not do his work well, is not dismissed, because he is held there by political influence. The people who gather and pursue Senators and Representatives of both parties to help them retain their places in the departments, to help them get promotions—the men and the women, too, who seek influence in that way, as a rule, are inefficient clerks. The good clerks, who have nothing to fear, who are getting their promotions on merit, rarely disturb a Senator or a Representative. That is the distinction between private business and public business.

Mr. President, when I began I did not mean to say as much as I have said; I only meant to say a few words. What I want is simply a vote on this paragraph, and I regret that I have consumed as much time as I have.

Mr. LANE. Mr. President, I should like to say merely a few words in connection with this subject. It is a matter which has always interested me a great deal, for the reason that I served for four years as chairman of a civil-service commission, and while I am now and always have been willing to concede that the civil-service system is superior to the spoils system and relieves the country of a great many evils which followed the spoils system, yet the present civil-service system has certain weaknesses about it which I think we ought to endeavor to cure if we can.

The scope of an examination does not at any time prove the honesty, the common sense, or the energy of the appointee. Those characteristics can not be shown by any examination which has yet been devised.

If an employee is inert or if he is unfriendly to the administration under which he is working, he can impede it, he can block it, he can do great harm, and yet commit no offense for which he can be held subject to dismissal. He can become an embarrassment which is insurmountable, and yet he is irremovable. So in our State we finally decided upon a change in our charter, and we changed it to this effect: We gave the civil-service commission full authority to conduct examinations for all subordinate positions, and we compelled the appointing power, the executive officer, fairly and openly to select his employees from the eligible list. It was a nonpartisan board and a nonpartisan administration. To protect the people from the loss which they sustained from inefficient work on the part of the civil-service employees who had been given their positions, who resented any interference with them, who, if you removed them, obtained a trial and carried the case clear through to the supreme court, and if you did not have the strongest possible evidence against them, enough to convict a man for murder, you would fail to get rid of them and they would draw their salaries all the time while they were suspended—to protect the people, I say, we put a clause into the charter by which the appointing power, the executive officer under whom the employee worked, had the right to dismiss him at any time for cause, provided he were not removed for causes either of a political or of a religious nature.

We allowed him a free hand in every respect; then he could go back to the list again and pick and choose until he secured men who could loyally work with him for the benefit and the advantage of the people, the taxpayers, who have to pay these salaries.

We found that the city had lost and had frittered away hundreds of thousands of dollars through inefficient help, and that was the only remedy we could devise without going back to what I consider a worse system—the spoils system.

I give you that for just what it is worth. I thank Senators for their attention.

Mr. McCUMBER. Mr. President, I never have been a very firm advocate of the portion of the civil-service law which provides for a life tenure. I always have opposed it. I opposed it upon the very grounds that have just been given by the Senator from Oregon [Mr. LANE]; but I always have been in favor of the portion of the law which provides for an examination to determine the fitness of the applicant for the position which he seeks.

I can scarcely understand what seems to me to be a sudden change of position on the part of the Senator from Georgia upon this question. Only a year ago the Senator from Georgia seemed to be one of the strongest advocates of the inviolability of the civil-service law. I found him only about a year ago not only the ardent supporter of that law, but found him joining such radicals as the Senator from New York [Mr. ROOT] and the Senator from Massachusetts [Mr. LODGE], and such conservatives as the Senator from Kansas [Mr. BRISTOW] and the Senator from Iowa [Mr. CUMMINS], in an ardent defense of the Civil Service Commission, and its methods of examination, and everything connected with it.

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me, is it not true that the whole fight we had then was on the effort to limit the length of service? Was not the part I took one of insisting that the classes of places that could be opened to young men ought to be opened as a permanent service? And was there anything inconsistent in the position I took then as compared with the one I took to-day?

Mr. McCUMBER. That is not the occasion to which I refer. A year ago I myself sought, by an amendment, to cover under

the civil-service law a number of persons that might range all the way from 30 to 100, who had had several years of experience as clerks in the Immigration Commission and who, after that, had had about two years of service in the Census Bureau, and to allow them to be used as clerks in both the Census Bureau and the Bureau of Pensions. If I remember rightly, those clerks who had had experience in the Immigration Commission had been weeded out until there were left only the very best of them. Then those very best were utilized by the Census Bureau, and came before us with the best character of examination in the world—the examination which consisted of a demonstration of their ability to do the work required of them.

I desired to cover them into the civil service. I think, if I remember rightly, the Senator from Georgia joined these other Senators, and was not in favor of opening the door one inch to allow these persons to get in under the civil-service law, because of the influence it might have in the way of widening the breach and allowing others to get in.

Mr. SMITH of Georgia. No; the Senator is mistaken.

Mr. McCUMBER. Possibly I may be mistaken as to the Senator joining in that, but I think he was one of those who were opposed to opening the door even to that extent where there had been this best of examinations in the world.

The Senator ought to agree with me at least upon one thing, and I think the Senator from Iowa ought to join him in that before he offers his amendment, and that is to vote in favor of an amendment I propose which will require an examination; that is all. If the Senator has doubts as to the propriety of the Civil Service Commission making this examination, I will agree with him that the Treasury Department may prescribe the rules of the examination for this purpose, but I do believe there should be an examination, so that we may not lay ourselves open to the charge that this is merely an opportunity for us to pay our political debts by the appointment of people who may or who may not be fit to fulfill the duties of their positions.

I think that is a proper amendment, and that it should be made, so that we may have at least competent persons; and I am willing to trust the Treasury Department to promulgate rules for that examination.

Mr. WILLIAMS. Mr. President, this matter having been fully debated again for about the fortieth time since I have been a Member of Congress, and all the things that have been said before having been said again, I hope we may have a vote upon the amendment.

Mr. BRISTOW. Will the Secretary please state the amendment, so that we may understand just what it is?

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. The amendment proposed by the senior Senator from Massachusetts [Mr. LODGE] to the amendment of the committee is, on page 208, line 23, to strike out the following words:

*Provided*, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed.

Mr. LODGE. On that I ask for the yeas and nays.

Mr. McCUMBER. Before the yeas and nays are taken, is this a motion to strike out this part of the committee amendment?

The VICE PRESIDENT. It is a motion to strike out.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my pair as on the former vote and withhold my vote.

Mr. BRYAN (when Mr. FLETCHER's name was called). My colleague [Mr. FLETCHER] is necessarily absent on public business. He is paired with the junior Senator from Wyoming [Mr. WARREN].

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "yea."

Mr. KERN (when his name was called). On account of my pair with the senior Senator from Kentucky [Mr. BRADLEY] I withhold my vote.

Mr. McCUMBER (when his name was called). I again announce my pair with the senior Senator from Nevada [Mr. NEWLANDS] and withhold my vote.

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from Ohio [Mr. BURTON] to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I desire to state that the junior Senator from Michigan [Mr. TOWNSEND] is necessarily absent from the Chamber. He is paired with the junior Senator from Florida [Mr. BRYAN]. If present, he would vote "yea."

Mr. WARREN (when his name was called). I transfer my pair with the senior Senator from Florida [Mr. FLETCHER], so that he may stand paired with the junior Senator from Michigan [Mr. TOWNSEND], and will vote. I vote "yea."

The roll call was concluded.

Mr. REED. I am paired with the senior Senator from Michigan [Mr. SMITH]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. McCUMBER. I transfer my pair with the senior Senator from Nevada [Mr. NEWLANDS] to the senior Senator from New Mexico [Mr. FALL] and will vote. I vote "yea."

Mr. WILLIAMS (after having voted in the negative). By inadvertence and without thought I voted when I ought not to have done so. I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. As he is absent, I desire to withdraw my vote.

The result was announced—yeas 32, nays 37, as follows:

YEAS—32.

| | | | |
|---|---|---|---|
| Borah | Crawford | McCumber | Root |
| Brady | Cummins | McLean | Sherman |
| Brandegee | Dillingham | Nelson | Smoot |
| Bristow | Gallinger | Norris | Sterling |
| Catron | Jones | Oliver | Sutherland |
| Clapp | Kenyon | Page | Warren |
| Clark, Wyo. | La Follette | Perkins | Weeks |
| Colt | Lodge | Poindexter | Works |

NAYS—37.

| | | | |
|---|---|---|---|
| Ashurst | Lane | Robinson | Smith, S. C. |
| Bacon | Martin, Va. | Saulsbury | Stone |
| Bankhead | Martine, N. J. | Shafroth | Swanson |
| Bryan | Myers | Sheppard | Thomas |
| Chamberlain | Overman | Shields | Thompson |
| Clarke, Ark. | Owen | Shively | Vardaman |
| Hollis | Pittman | Simmons | Walsh |
| Hughes | Pomerene | Smith, Ariz. | |
| James | Ransdell | Smith, Ga. | |
| Johnson | Reed | Smith, Md. | |

NOT VOTING—26.

| | | | |
|---|---|---|---|
| Bradley | Fletcher | Lea | Stephenson |
| Burleigh | Goff | Lewis | Thornton |
| Burton | Gore | Lippitt | Tillman |
| Chilton | Gronna | Newlands | Townsend |
| Culberson | Hitchcock | O'Gorman | Williams |
| du Pont | Jackson | Penrose | |
| Fall | Kern | Smith, Mich. | |

So Mr. LODGE's amendment to the amendment of the committee was rejected.

Mr. GALLINGER. Mr. President, after the negative vote, I now move to strike out the proviso and to insert the matter which I send to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY In the committee amendment it is proposed to strike out the proviso commencing on line 23, page 208, and ending on line 8, page 209, and to insert the following:

*Provided*, That all appointments under the provisions of this section shall be made in strict compliance with the rules and regulations of the Civil Service Commission, in accordance with the terms and provisions of the act entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883, and amendments thereto: *Provided further*, That hereafter when examinations are held for the positions of deputy collectors, agents, and inspectors the questions shall be so framed as to specifically test the capacity and fitness of the applicants for the several positions.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire to the amendment of the committee.

Mr. GALLINGER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I again announce my pair with the junior Senator from Maryland [Mr. JACKSON].

Mr. GALLINGER (when his name was called). I will make the same transfer of my pair as heretofore announced and will vote "yea."

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. BRADLEY] to the Senator from Nebraska [Mr. HITCHCOCK]. I vote "nay."

Mr. McCUMBER (when his name was called). I transfer my pair as before and vote "yea."

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "nay."

Mr. JONES (when Mr. TOWNSEND's name was called). I make the same announcement in reference to the pair of the

Senator from Michigan [Mr. TOWNSEND] that I made on the preceding vote. I will let this announcement stand for the rest of the day.

Mr. WARREN (when his name was called). Making the same transfer as before, so that the Senator from Florida [Mr. FLETCHER] stands paired with the Senator from Michigan [Mr. TOWNSEND], I vote "yea."

The roll call was concluded.

Mr. WILLIAMS. I wish to reannounce my pair with the Senator from Pennsylvania [Mr. PENROSE].

Mr. REED. I am paired with the Senator from Michigan [Mr. SMITH], and having been unable to get a transfer I withhold my vote.

The result was announced—yeas 32, nays 37, as follows:

YEAS—32.

| | | | |
|---|---|---|---|
| Borah | Crawford | McCumber | Root |
| Brady | Cummins | McLean | Sherman |
| Brandegee | Dillingham | Nelson | Smoot |
| Bristow | Gallinger | Norris | Sterling |
| Catron | Jones | Oliver | Sutherland |
| Clapp | Kenyon | Page | Warren |
| Clark, Wyo. | La Follette | Perkins | Weeks |
| Colt | Lodge | Poindexter | Works |

NAYS—37.

| | | | |
|---|---|---|---|
| Ashurst | Kern | Robinson | Smith, S. C. |
| Bacon | Lane | Saulsbury | Stone |
| Bankhead | Martin, Va. | Shafroth | Swanson |
| Bryan | Martine, N. J. | Sheppard | Thomas |
| Chamberlain | Myers | Shields | Thompson |
| Clarke, Ark. | Overman | Shively | Vardaman |
| Hollis | Owen | Simmons | Walsh |
| Hughes | Pittman | Smith, Ariz. | |
| James | Pomerene | Smith, Ga. | |
| Johnson | Ransdell | Smith, Md. | |

NOT VOTING—26.

| | | | |
|---|---|---|---|
| Bradley | Fletcher | Lewis | Stephenson |
| Burleigh | Goff | Lippitt | Thornton |
| Burton | Gore | Newlands | Tillman |
| Chilton | Gronna | O'Gorman | Townsend |
| Culberson | Hitchcock | Penrose | Williams |
| du Pont | Jackson | Reed | |
| Fall | Lea | Smith, Mich. | |

So Mr. GALLINGER's amendment to the amendment of the committee was rejected.

Mr. McCUMBER. I offer the following amendment to be inserted after the word "thereto" in line 6, on page 209.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 209, line 6, after the word "thereto," insert:

But upon such examination as to competency and fitness as may be prescribed by the Civil Service Commission.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. McCUMBER. I now offer the following amendment, which is the same as that just offered and defeated by the other side, except that it provides that upon such examination as to competency and fitness as may be prescribed by the Secretary of the Treasury, and upon it I shall ask for the yeas and nays.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 209, line 6, after the word "thereto,"

But upon such examination as to competency and fitness as may be prescribed by the Secretary of the Treasury.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment of the committee.

Mr. NORRIS. I should like to inquire of the Senator what is the object in making this exception to the ordinary rule? He proposes that the Secretary of the Treasury shall make the examination?

Mr. McCUMBER. If I could get the ordinary rule applied, I would not have offered this amendment. I have just introduced an amendment, and it was voted down, which provided for examinations as to competency and fitness by the Civil Service Commission.

Mr. NORRIS. I will say to the Senator I voted for that amendment; I am very much in favor of it.

Mr. McCUMBER. I know; and having failed in that I desire to get the nearest I can possible to it, and have some kind of an examination, so that these may not be wholly political appointments.

Mr. NORRIS. I should think the tendency would be to make it a somewhat political appointment, because the examination would be held by a political officer rather than by the Civil Service Commission. It would make an exception to the ordinary rule of civil-service appointments. I doubt whether it would be wise to do it. Of course we could do it, but I do not think we should.

Mr. McCUMBER. I think it would be better to have some examination than to have none at all. In the discussion of the Senator from Georgia I think he agreed that an examination by the Secretary of the Treasury ought to be made.

Mr. NORRIS. If it was the usual rule to have that done there might be something in it, but this would break into the regular rule, making an exception, and the Senator himself concedes that it would not be as good as though it was done by the Civil Service Commission.

Mr. McCUMBER. Does the Senator see the way that the bill has already broken into the rule?

Mr. NORRIS. I understand that.

Mr. McCUMBER. I simply want to make the breach not quite as wide as it now is.

Mr. NORRIS. I agree entirely with the Senator that there ought to be an examination and it ought to be made by the Civil Service Commission. I am very much in favor of it.

Mr. McCUMBER. Then would the Senator say if it can not be made by the civil service it ought not to be made by anyone?

Mr. NORRIS. I would not say that.

I am forced to concede as an abstract proposition that if the Senator's amendment should be adopted it would be better than nothing. The danger, however, I fear, would be the establishment of a precedent that would perhaps be followed in the future, and before we got through we might have all kinds of examinations from all sorts of political appointees where we know the examination would be a farce.

Mr. McCUMBER. I do not think, if the Senator pleases, that it is going to establish any new precedent, if I gather the sentiment on the other side from all the votes they have cast.

Mr. NORRIS. I rather think that is true.

Mr. CLAPP. Mr. President, the remark of the Senator from North Dakota just made, it seems to me, is a reason why we ought not to be asked to vote for this amendment. Either we vote for it knowing that it is absolutely a waste of time or we vote for something which we do not stand for. I for one do not stand for any modification of the civil-service law with reference to the matter contained in this bill or any other bill. If there was any use in voting for it, if there was a hope of succeeding in the vote, it would certainly put us in a position of taking a step toward modifying the civil-service law. We would not vote for this amendment if we knew that it could be adopted and made an expression of the legislation of this country with reference to the civil-service law and rules. For one, I would not vote for a precedent standing for something that was a modification of those rules.

The other side have taken these particular positions out of the civil service. We have tried earnestly and honestly to put them back. We have voted, first, to strike out the clause which exempts them, and then we have voted to place the appointments permanently within the classified service. For one I must say I do not like to be put in the attitude even by a vote of establishing a precedent here in an attempt, if no more than an attempt, to modify the civil-service law of this country and modify it with reference to this particular matter.

Having voted first to strike out the exemption and then having voted to put these places permanently within the classified service, I do not think, for one, that I can vote for the initiation of an attempt to modify the civil-service law.

Mr. McCUMBER. Mr. President, the Senator from Minnesota is fearful lest in voting for this amendment he should vote for taking some steps to modify the civil-service law. By a failure to pass an amendment of this kind he is allowing a provision to stand which absolutely abolishes the civil-service law upon that particular branch of appointments. If I can not obtain all that I would desire, at least I would prevent, if I could, the total abandonment of the civil-service law in these appointments, and I would at least hold on to the part of it declaring that there should be an examination.

I shall not ask for the yeas and nays upon the amendment, because I know how useless it would be, and it would be taking up time, but I will ask for a vote upon the question.

Mr. SHIVELY. Having witnessed in recent years several hundred thousand Federal officers and employees locked away in the civil service by Executive orders without civil-service examinations of any kind whatsoever, I believe the Senate is ready for a vote on the pending amendment.

Mr. GALLINGER. Mr. President, it will be interesting to learn just what the Senator means by several hundred thousand having been put into the service without examination.

Mr. SHIVELY. Not only put into the service without examination, but kept in without civil-service examination or any other real test of efficiency.

Mr. GALLINGER. The most of those were put in by a Democratic President.

Mr. SHIVELY. Not at all, Mr. President. Quite the reverse.

Mr. GALLINGER. Sixty or seventy thousand at one stroke of the pen.

Mr. SHIVELY. Why, to-day, at least 90 per cent of the men employed in the Federal service throughout the United States are men of the Senator's own party faith.

Mr. GALLINGER. To my knowledge there are 50 per cent in the hands of Democrats.

Mr. MARTINE of New Jersey. Mr. President, within the last five minutes I was in conversation with a gentleman who is a post-office inspector in the city of New York. He made a statement to me that seemed impossible. I asked him to put it down on paper, which he did. He says there are 390 post-office inspectors, and they are all Republicans but 35. This came under the Republican system of civil service.

Mr. GALLINGER. Will the Senator give the name of that gentleman?

Mr. MARTINE of New Jersey. I would give the name, but the trouble would be that he himself is in the post-office employ in the city of New York, and I suppose that under the rules which govern it would make him amenable to some of the regulations and perhaps would hold him up. I have the name right here.

Mr. GALLINGER. Is he afraid of being dismissed by a Democratic President and a Democratic Postmaster General?

Mr. MARTINE of New Jersey. Whether dismissed by a Democratic or Republican President or not, he would be amenable to the rules.

Mr. GALLINGER. Then, did the Senator from New Jersey permit an official to violate the rules by communicating this to him?

Mr. MARTINE of New Jersey. We have not absolute hold of that thing yet, but we will have it in the near future.

Mr. GALLINGER. The Senator did not understand me. Did the Senator permit an official to violate the rules of the Post Office Department by bringing this information to him?

Mr. MARTINE of New Jersey. I do not speak understandingly that there is such a rule, but I believe there is a rule. I say advisedly before the Senate of the United States that this gentleman, whom I know, whose name is here, made this statement and placed those figures on this paper.

Now, I think that is about in harmony with the general line of the operation of the civil service. I would have the best civil service in the world. I would not appoint a man unless he was fit and competent. Fitness and competency should be the qualification in every instance. I say advisedly that I would not appoint any man to office, however insignificant the office was, simply because of the fact that he was a Democrat; but I would not appoint a man to office unless he was a Democrat under this system.

Mr. GALLINGER. The Senator had——

Mr. MARTINE of New Jersey. I say if this civil-service proposition of examination were carried out here in the Senate I think there would be comparatively a small percentage of us who would be able to pass. I think, in the college phrase, we would "flunk." I believe it is possible for us to have a good and efficient service in the Internal-Revenue Service, in the Post Office Department, and in all the other branches of the Government without being compelled to go through the process of the civil service. I think there is an infinite amount of truth in the thought advanced here that young men or young women from high schools would pass most flippantly and glibly an examination which others who for 40 or 50 years of our lives have been fairly successful in the transaction of business, who have led honest and sober lives, would find it impossible to pass. I do not believe that the public service or the well-being of our country would be enhanced if that system is pressed any further.

Mr. GALLINGER. The Senator from New Jersey has declared his business position. It is that he would not appoint anybody to office but a Democrat; so that if the young men and the young women who pass the civil-service examination chance to be Republicans or Prohibitionists the Senator would not appoint them.

Mr. MARTINE of New Jersey. I will do that which in my conscience and judgment will best advance the welfare of my country. I am a Democrat. I believe in the teachings and dogmas and principles of my party. I can not make my Government a success by installing New Hampshire Republicans.

Mr. GALLINGER. But the Senator from New Jersey has a conscience that does not allow him to go beyond appointing Democrats to office.

Mr. MARTINE of New Jersey. Well, my conscience is a pretty fair one.

Mr. GALLINGER. It is rather elastic.

Mr. MARTINE of New Jersey. By general average throughout the length and breadth of the land, I believe in years gone by the Democratic conscience made good government for this fair land, and I believe that the Democratic conscience can be trusted here to-day to do justice to the people of this land and to advance and glorify the principles of the Democratic Party, which have been ratified and of which Woodrow Wilson to-day is the exponent.

Mr. GALLINGER. That is very beautiful, but it still leaves the Senator from New Jersey in the attitude of being unwilling to appoint a man to office who is not a Democrat. And yet the Senator wants the best interests of the Government subserved.

Mr. MARTINE of New Jersey. I might take you in a pinch, but I venture to say I will be as liberal as the Senator from New Hampshire.

Mr. GALLINGER. Oh, no.

Mr. MARTINE of New Jersey. Tell me how many Democrats, dyed-in-the-wool, real, genuine Democrats, not make-believe ones, the Senator has been the means of installing.

Mr. GALLINGER. I have recommended the appointment of quite a number to positions to which I thought they were entitled.

Mr. MARTINE of New Jersey. It would be ungenerous not to take the Senator's word for that. I will have to take his word for it.

Mr. BRISTOW. Mr. President, the Senator from Indiana [Mr. SHIVELY] undertook to create the impression, as I infer from what he has said, that the covering of Federal employees into the civil service by Executive order has resulted in hundreds of thousands of Republicans being now in the service who would not be there if the civil-service law had been properly administered. The Senator from Indiana ought to know that it has been the custom of the Presidents for a generation, at least since the civil-service law was enacted, to extend it. Provision was made in the law for its extension by Executive order.

Mr. GALLINGER. In a separate law.

Mr. BRISTOW. And when it is extended by Executive order it covers all those who are then employed and are affected by the order. Mr. Cleveland, when he was President, extended it very largely, and his example has been followed by the Presidents who have succeeded him. In one order issued a few months before Mr. Cleveland retired from the Presidency, he covered into the service thousands of men who had been appointed upon political recommendation without examination. I do not complain of that; that was the method that was established by the Congress for extending the civil service. Other Presidents who have followed him have extended the law and covered in members of their own political parties. To endeavor to create the impression by remarks here that the civil service had been made partisan is an unjust reflection upon the Executives of the past, as well as upon the administration of the Civil Service Commission.

Mr. JAMES. I should like to ask the Senator from Kansas if he can state the exact date when President Taft covered into the civil service about 30,000 fourth-class postmasters?

Mr. BRISTOW. I do not care to state the date he did it.

Mr. JAMES. Does the Senator approve it?

Mr. BRISTOW. Of course, I approve it.

Mr. JAMES. Does he approve the covering in of all the fourth-class postmasters throughout the Southern States who robbed Roosevelt of the Republican nomination for President?

Mr. BRISTOW. That has nothing to do with this question before us now.

Mr. JAMES. That is a fact, nevertheless.

Mr. BRISTOW. I do not care whether it is a fact or not. What has that got to do with the civil-service provision we are discussing?

Mr. JAMES. I know the Senator does not care whether or not it is a fact. That is the reason I brought it out.

Mr. OVERMAN. Can the Senator from Kansas tell me, when Mr. Cleveland went out of office and his successor came in, how many thousand who had been covered into the civil service by Mr. Cleveland were turned out of office by his successor?

Mr. BRISTOW. Very few.

Mr. OVERMAN. Were there any?

Mr. BRISTOW. Yes; I think there were some.

Mr. OVERMAN. I am here to tell the Senator that I believe there were hundreds of them.

Mr. BRISTOW. Oh, no; not that many.

Mr. OVERMAN. I know of one case of my own knowledge, where I saw an affidavit of the chairman of the Republican

national committee, which has been placed on file, setting forth the fact that a certain man in my State was turned out of office after he had been covered into the civil service simply and solely because he was a Democrat. It was done in that case and it was done in thousands of other cases.

Mr. BRISTOW. Well, "thousands" are too many.

Mr. OVERMAN. Well, hundreds.

Mr. BRISTOW. "Thousands" are too many. I will not say that on the incoming of the McKinley administration men were not removed occasionally for political purposes who should not have been removed; I think a few of them were, but not many. I think also that a number were removed for cause who convinced their political friends that they were removed for political purposes, when in fact they were removed for inefficiency or for malfeasance in office. It is a familiar practice when any Federal employee gets into trouble to attribute that trouble to political reasons instead of to the real reasons. That occurs under all administrations.

So far as the civil service is concerned, I believe that, with few exceptions, during the last 25 years it has been administered honestly and efficiently. I believe that there should be some changes in the law. The extension of the civil service has been brought about by the executive department in the face of hostility on the part of the Congress, because Congress has not been friendly to civil-service reform. Its extension has been in the face of pronounced opposition time after time by Congress. I want to say that I think we have made greater progress by giving the Executive the power to extend it than we would have made if that authority had been reserved to Congress itself, because the Executive realizes the necessity of having men to perform the clerical work of this great Government who are not controlled by political motives, but who are selected because of their competency, irrespective of their political affiliations.

Mr. JAMES. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Kentucky?

Mr. BRISTOW. I do.

Mr. JAMES. I should like to ask the Senator from Kansas what he thinks would have been the effect of the issuance of an order by President Taft covering into the civil service 30,000 fourth-class postmasters if that order had been issued before the last Republican national convention was held in Chicago?

Mr. BRISTOW. I do not know what might have been the effect of it. If the Senator from Kentucky has any fault with President Taft because he used the civil service to promote his political fortunes, I am not going to hold a controversy with him in regard to that. I do not believe that the last administration was as careful to obey the spirit of the civil-service law as it should have been; that is my judgment.

Mr. JAMES. But the Senator from Kansas told me a moment ago, when I inquired as to how many of those postmasters had participated in the wholesale robbery of Theodore Roosevelt in the Chicago convention, that that made no difference. Now, I am pointing out to the Senator from Kansas that President Taft served the people of the United States for a little more than three and a half years as President, and that he never did put those postmasters under civil-service protection until after his fight for the nomination for the Presidency was over and he saw in front of him overwhelming defeat.

Mr. BRISTOW. As to what may have been President Taft's motive I do not propose now to inquire. It may have been as worthy as the motive of the Senator from Kentucky or my own motive in any act that he or I may have performed, and it may not have been; but if President Taft did cover into the civil service the fourth-class postmasters of the country he did a good thing, and I am not at all in sympathy with the subterfuge that has been resorted to by this administration to destroy the effect of that order.

Mr. JAMES. And the Senator approves that order, notwithstanding the fact that it was issued without having any examination whatever to test the qualifications of the respective postmasters?

Mr. BRISTOW. Those postmasters had served the United States Government in the capacity of postmasters. If they are not competent, they should be removed by this administration now. It has the authority to remove any man from the service who is incompetent, whether he is in the civil service or not. When those postmasters by their experience, by actual service, have demonstrated that they are qualified to conduct the affairs of their offices in a creditable way, they are entitled to stay there so long as they shall satisfactorily perform the duties of their office. If they are not efficient, if their service is not properly rendered, if their experience demonstrates that fact to the present administration, they should be removed for that cause.

Mr. JAMES. So that, if I understand the Senator from Kansas correctly, the ideal civil-service system is one that does not accord to all the people the right of competition for the place under proper examination, but appoints them as Republicans and solely on account of their politics and then covers them under the protecting wing of the civil service without requiring any examination at all. That was what was done in the case to which I have referred.

Mr. BRISTOW. An examination——

Mr. WEEKS. Mr. President——

Mr. BRISTOW. If the Senator from Massachusetts will pardon me for just a moment, an examination is held for the purpose of determining the fitness of the applicant for the office which he seeks. If a man is in office and is performing the duties of the office, then it is easy to determine whether he is competent, because he has a record to show that fact, and an examination is not necessary.

Mr. JAMES. I agree that is the case ordinarily, and, of course, we are going to make a thorough examination into the qualifications of these various officials; but I doubt not that, after we do that and find many of them disqualified, as I have no doubt we will, the Senator from Kansas will be quite vehement in declaring when we remove them that we are doing it all for partisan purposes.

Mr. BRISTOW. Oh, well, the Senator from Kansas may or may not; it depends upon whether he would be justified in making such a declaration. The Senator says that they are going to determine the qualifications of these men by examination; and yet the very amendment which we have been discussing all the afternoon declares that they shall not be examined to determine as to their qualifications, but shall be appointed independent of any civil-service law.

Mr. JAMES. Let me ask the Senator another question. Does not the Senator admit, if the spirit of the civil-service law is to be actually carried out in justice to all men, without regard to politics, that instead of covering in a blanket fashion all of these officeholders into the protection of the civil service it would have been better, fairer, and more nonpartisan to have allowed examinations to have been held, so as to ascertain whether or not they might have found some straggling Democrats down in Kentucky who had at least enough wisdom to perform the duties of these offices?

Mr. BRISTOW. Let me ask the Senator if he believes when a man is in office performing the duties of the office it is necessary to hold an examination to find out whether or not he is properly attending to those duties? You may examine the record he has made, with a view of determining whether he is efficient, but if he is in office and performing its duties, to give him an examination to determine whether or not he is competent to fill the office is simply ridiculous.

Mr. JAMES. He did not get that office under civil-service rules.

Mr. BRISTOW. Of course he did not——

Mr. JAMES. He got it from his party as a reward, doubtless, for party service; and all at once you discovered that it is necessary to extend the protection of the civil service to him on the eve of Democratic success.

Mr. BRISTOW. Does not the Senator from Kentucky know that that has been the method in vogue heretofore? Did not President Cleveland, a Democratic President, do exactly the same thing?

Mr. JAMES. President Cleveland did not do exactly the same thing, nor anything like it.

Mr. BRISTOW. Did he not extend the civil service system and cover in men who had not taken an examination to determine their fitness before they were appointed?

Mr. JAMES. No other President of the United States ever did the same thing. President Taft stands to-day lonely, with the absolute distinction of being the only President who ever did, in front of impending defeat and for the purpose of covering under protection his own partisans, extend the civil service system.

Mr. BRISTOW. The Senator is simply not informed; that is all. If he will look up the record of his own party under the administration of President Cleveland, he will see that that President did exactly the same thing. I am not complaining of it. We have got to extend the civil service, and I do not know a better way than the one which has been employed. It has not been a partisan question. The same method which President Cleveland followed was followed by McKinley, Roosevelt, and Taft, and will be followed by President Wilson, if he lives out the term of his office.

Mr. WEEKS. Mr. President, I hardly think the Senator from Kentucky [Mr. JAMES] is justified in the inference he has

drawn about the motive which governed President Taft in extending the civil-service system to fourth-class postmasters; that is, that it would affect his election. I should like to remind the Senator that fourth-class postmasters in the Northern and Eastern States—that is, north of the Ohio and east of the Mississippi River—had been under the civil-service law for several years, and the extension which President Taft made only applied to postmasters of a section of the country where there could be little or no possibility of his receiving an electoral vote.

Furthermore, Mr. President, I want to remind the Senator from Kentucky that President Cleveland in the last days of his first administration covered the whole Railway Mail Service into the civil service without any examination whatever.

Mr. SHIVELY. Mr. President——

The VICE PRESIDENT. The Senator from Indiana.

Mr. SHIVELY. The Senate should be reminded also that President Cleveland's successor revoked the order, dismissed large numbers without cause other than politics, refilled the service with partisans without examinations, and then restored the order. But this was not the purpose for which I rose. Rather have I risen to remind the Senate that the pending legislation is not without precedent that might be regarded as respectable on the other side of the Chamber. I invite attention to page 218 of the United States Statutes at Large for the Fifty-ninth Congress, and to section 3 of the act there set forth and entitled "An act for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials." That act was passed by a Congress Republican in both branches.

Mr. BRISTOW. Mr. President, that has been referred to here this afternoon.

Mr. SHIVELY. Just wait a moment——

Mr. BRISTOW. It has been read here this afternoon, I presume in the Senator's absence.

Mr. SHIVELY. It has been referred to, but not read.

Mr. BRISTOW. I do not care what the language was——

Mr. SHIVELY. But I do, and now the Senator will suspend until I yield to him.

Mr. BRISTOW. I will be very glad to do so.

The VICE PRESIDENT. The Senator from Indiana declines to yield.

Mr. SHIVELY. The act the title of which I have read was approved June 7, 1906. Senators who are shocked by the language of the pending amendment are invited to compare it with the language of that act. The concluding clause of section 3 of that act reads as follows:

> For a period of two years from and after the passage of this act the force authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereof, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury.

Mr. SMITH of Arizona. Has the Senator stated who was President then?

Mr. SHIVELY. I have not. Of course, Theodore Roosevelt was President at the time, and approved the act. He had been training for years with the school of politicians, or statesmen, if preferred, who professed stout allegiance to the cause of civil-service reform. He himself had been a member of the United States Civil Service Commission. I am not appraising the wisdom of that act; it may not have been wise in all respects. But the words of the pending bill on the subject under controversy are precisely the words of that act. I assume there were exceptional reasons then, as there are now. Yet, Senators on the other side of the Chamber profess to see something novel and startling in a provision which after due consideration was deliberately incorporated in the act of 1906.

Mr. JAMES. Mr. President, the Senator from Massachusetts [Mr. WEEKS] entirely misunderstood the statement I made in regard to President Taft. I never suggested that President Taft had covered fourth-class postmasters into the civil service upon the idea or with the hope that it would aid him to secure a single electoral vote in the final election. I am very well aware that President Taft knew before the November election that he was defeated. What I did say was that the Southern States, where the postmasters have been appointed without regard to the civil service, was the field of contest between President Taft and ex-President Roosevelt for the Republican nomination. If President Taft had covered the postmasters into the civil service before that contest, then there might have been some suggestion here that it was entirely for the good of the service, but I have my own opinion about why he covered those postmasters under the protection of the civil service after the Chicago convention was held, and my opinion is that he did it because these men had been his friends and had helped him to secure that nomination. It was charged in Chicago—and they had affidavits to sustain the charge—that the postmasters in the Southern States took charge of the polls at the delegate elections and carried those States for President Taft. The point I make is this: These men, guilty as Roosevelt himself charged them and as many people believed, who had robbed Roosevelt of a nomination and participated in politics to that extent, were covered into the civil service by a blanket order—30,000 of them—without any examination being held or any investigation being made as to their participation in politics. This was done, in my judgment, as a reward for partisan work of the most reprehensible character, and was not for the good of the public service and does not meet the approval of the American people.

Mr. BRISTOW. Mr. President, so far as concerns the law relating to denatured alcohol which the Senator from Indiana read, I do not approve the provision in that law any more than I approve this. I suppose the same motive was behind that exemption that is behind this—that is, to exempt the appointments from the civil service so as to make them matters of political patronage.

The fact that that was done under President Roosevelt's administration is no reflection upon him. It is true that he might have vetoed the bill. President Wilson might veto this bill. Judging from his declarations in the past, I do not believe that he believes in any such provision as the one that is incorporated here. If the majority in this Chamber believed President Wilson was in favor of the spoils system, they would not make it mandatory in the law that he should not use the Civil Service Commission and the civil-service law in filling these places. They would leave it discretionary with him. He has the power now to exempt these appointments from the civil-service law if he cares to do so. But no; it is not left to his judgment or his discretion; and it would be just as fair to denounce him in the future because he signed the bill containing this provision or this amendment as it would be to denounce President Roosevelt because he approved a bill that had a similar provision in it.

That method of argument is one that has been resorted to a great deal during the consideration of this bill. The fact that something was done a few years ago by a Republican Congress and a Republican administration seems to justify doing the same thing now; and time and again that argument has been brought up as the reason why something has been done that has met criticism from some Members of this body.

Mr. WILLIAMS. Mr. President, can we not have a vote?

Mr. BRISTOW. As to the opinion of the Senator from Kentucky with regard to the motives of President Taft, I have no interest in that matter now. They may have been worthy, and they may have been unworthy. The Senator from Kentucky may be right as to his motives. I am not going to discuss that question with the Senator from Kentucky. But if he extended the civil-service law so as to take out of politics the fourth-class postmasters, the result of that order, if it were permitted to stand, would be good for the administration of our postal affairs.

Mr. POMERENE. Mr. President, in view of the discussion that has taken place on the subject of the civil service, it seems to me it may not be out of place to give a few figures relating to the number of men who were covered into the civil service under the several administrations. An examination of the record shows the growth of the competitive classified service by various Executive orders.

Under President Arthur there were covered into the civil service 15,573 places.

Under President Cleveland's first administration there were placed under the civil service, by Executive order, 11,757 places.

Under President Harrison's administration there were placed under the civil service, by Executive order, 15,598 places.

Under President Cleveland's second administration there were placed under the civil service, by Executive order, 38,961 places.

Under President McKinley's administration there were placed under the civil service, by Executive order, 3,261 places.

Under President Roosevelt's administration there were placed under the civil service, by Executive order, 34,766 places.

Under President Taft's administration there were placed under the civil service, by Executive order, 41,559 places.

I have not been in the city of Washington very long, but I have been here long enough to justify the statement that the civil service is a very much more beautiful thing in profession than it has been in practice.

It seems to me—and this remark applies as well to past Democratic administrations as to Republican administrations—that if these Executive orders had been issued at the beginning

instead of at the end of the different administrations we could have more confidence in the good faith of the orders. It does seem to me that the American public is justified in having some suspicion with regard to the good faith which has actuated the making of these orders when we bear in mind that the places have been filled by the spoils system, and after they had been filled under the operation of the spoils system they have been covered with the cloak of civil service. That is not the kind of civil service in which I believe, and I am a believer in honest civil-service reform.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. POMERENE. I do.

Mr. NORRIS. While I agree most fully with the Senator, at least in all but the last remark he has made, I wish to suggest to him that these various Presidents, both Republican and Democratic, found these offices already filled with spoilsmen. I would have had more faith in their good faith if they had done as the Senator says, and had covered them in at the beginning of their administrations. But in fairness it seems to me we ought to say as to all of them that the only difference was that they put their spoilsmen in at one time, when if they had done it before they would have put in spoilsmen of a different political faith. They would have been spoilsmen anyway.

Mr. POMERENE. Mr. President, I think an examination of the record will show that most of these orders were made near the ends of the administrations. I am not complaining of one party more than another in this matter. I am simply adverting to the system as it exists and as it has been administered.

I have had occasion to make some inquiry. I think it will be found in many of the departments, at least, that there are about nine Republicans to one Democrat. I think it will be further found that on the eligible lists, from which these places are filled, about nine out of ten of the persons are Republicans. I am not willing to admit that the intellectual qualities of the Republicans who apply for examination are so far superior to those of the Democrats who apply for admission to the official service of the country as to justify this disparity.

All this I say as reflecting the difference between the two propositions, namely: Is it right to extend the civil-service system by Executive order and wrong to extend it by legislative act? If we must condemn the one, why not condemn both?

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota [Mr. MCCUMBER] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. CUMMINS. I offer an amendment to follow the word "appointment," in line 12, page 209.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 209, line 12, after the word "appointment," it is proposed to insert:

*Provided further*, That the persons so appointed without the examination required by the said act approved January 16, 1883, and acts amendatory thereof, shall not be covered into the regular classified service without competitive examination.

Mr. CUMMINS. Mr. President, I shall occupy but a moment.

During the last hour we have heard a great deal with respect to the wrongdoing in the past. That is water over the dam. It can not be recovered. But we can care for the future.

The bill, as it has been already approved by the Democratic majority, annihilates the civil service so far as these offices are concerned—offices that are already within the scope of the classified service, and which would be filled from the classified lists were it not for the bill about to be passed.

I have nothing further to say about that innovation upon the service. But I do propose in this amendment that the persons appointed under the authority here conferred, inasmuch as they are not to bear the burden of a competitive examination, shall not be clothed with the immunities and the privileges which the law confers upon those who have passed a competitive examination. I propose to allow them to stand separate and apart from the other persons in the service, so that no Executive can cover them into the service and give them without examination the protection which the civil-service law confers.

I have much sympathy with the observation made by the Senator from Kentucky [Mr. JAMES]. If he is right respecting that criticism he will vote for this amendment, which will prevent these persons being covered into the service in the future without the competitive examination.

Mr. POINDEXTER. Mr. President, I do not desire to delay a vote upon this amendment except long enough to express my approval of the amendment offered by the Senator from Iowa, and to say that it seems to me, carrying out the spirit of the proper civil service, that the Executive order covering—I use that word as it is in common use—into the civil service certain offices ought to apply to the offices themselves, and not to the incumbents that are in the offices at the time the order is made.

In what he has said about the abuse of a great principle like the civil service, the Senator from Kentucky [Mr. JAMES] is undoubtedly correct, and he might have said a great deal more. In my judgment, the motive of the President at that time in applying the civil-service rules to all the fourth-class postmasters then in office was so bad that it was disreputable.

There ought to be such a system in practice in putting into the civil service different officers of the Government as would make an act of that kind impossible and prevent its recurrence in the future. It ought to refer to future appointments to offices. Take postmasters, for example. If President Taft had made an order that hereafter all appointments of fourth-class postmasters should be subject to the civil-service rules it would have been fair to the Republican Party and to the Democratic Party and would not have been used under the guise of applying a great principle in the interest of good government to prostitute it to partisan politics of the worst description.

I think the amendment of the Senator from Iowa would tend to bring about that sort of administration.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the Senator from Iowa [Mr. CUMMINS] to the amendment of the committee.

Mr. CUMMINS. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I will transfer my pair with the junior Senator from Maryland [Mr. JACKSON] to the Senator from Virginia [Mr. MARTIN] and vote. I vote "nay."

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote "yea."

Mr. KERN (when his name was called). Announcing my pair with the Senator from Kentucky [Mr. BRADLEY], I withhold my vote.

Mr. MCCUMBER (when his name was called). I transfer my pair with the senior Senator from Nevada [Mr. NEWLANDS] to the Senator from New Mexico [Mr. FALL] and vote "yea."

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay."

Mr. MYERS. Has the Senator from Connecticut [Mr. MCLEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I am paired with that Senator and withhold my vote.

Mr. BRYAN. I am paired with the junior Senator from Michigan [Mr. TOWNSEND]. In his absence, I withhold my vote.

Mr. WILLIAMS (after having voted in the negative). I forgot again. I want to withdraw my vote. I am paired with the Senator from Pennsylvania [Mr. PENROSE].

Mr. GALLINGER. I desire to announce that the Senator from Delaware [Mr. DU PONT] is paired with the Senator from Texas [Mr. CULBERSON]; that the Senator from Rhode Island [Mr. LIPPITT] is paired with the Senator from Tennessee [Mr. LEA]; that the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from South Carolina [Mr. TILLMAN]; and that the Senator from Michigan [Mr. TOWNSEND] is paired with the Senator from Florida [Mr. BRYAN].

The result was announced—yeas 27, nays 35, as follows:

YEAS—27.

| | | | |
|---|---|---|---|
| Brady | Crawford | McCumber | Root |
| Brandegee | Cummins | Nelson | Sherman |
| Bristow | Gallinger | Norris | Smoot |
| Catron | Jones | Oliver | Sterling |
| Clapp | Kenyon | Page | Warren |
| Clark, Wyo. | La Follette | Perkins | Weeks |
| Colt | Lodge | Poindexter | |

NAYS—35

| | | | |
|---|---|---|---|
| Ashurst | Johnson | Robinson | Smith, Md. |
| Bacon | Lane | Saulsbury | Smith, S. C. |
| Bankhead | Martine, N. J. | Shafroth | Stone |
| Chamberlain | Overman | Sheppard | Swanson |
| Chilton | Owen | Shields | Thomas |
| Fletcher | Pittman | Shively | Thompson |
| Hollis | Pomerene | Simmons | Vardaman |
| Hughes | Ransdell | Smith, Ariz. | Walsh |
| James | Reed | Smith, Ga. | |

NOT VOTING—33.

| | | | |
|---|---|---|---|
| Borah | Fall | Lippitt | Sutherland |
| Bradley | Goff | McLean | Thornton |
| Bryan | Gore | Martin, Va. | Tillman |
| Burleigh | Gronna | Myers | Townsend |
| Burton | Hitchcock | Newlands | Williams |
| Clarke, Ark. | Jackson | O'Gorman | Works |
| Culberson | Kern | Penrose | |
| Dillingham | Lea | Smith, Mich. | |
| du Pont | Lewis | Stephenson | |

So Mr. CUMMINS's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. SIMMONS. The hour of 6 o'clock having arrived, the bill may now be laid aside.

Mr. NORRIS. If I may have the attention of the Senator, I understand that we have finished the income-tax provision.

Mr. SIMMONS. Yes.

Mr. NORRIS. At this point I have an amendment that I want to offer, because the Senator from Washington [Mr. JONES] has an amendment on the same subject and he is not ready to discuss it. I would like to have it go over until the other amendments that have gone over are taken up, if that course is satisfactory.

Mr. SIMMONS. Is it an amendment to the income-tax section?

Mr. NORRIS. Yes; it is an amendment providing for an inheritance tax, and it comes in properly at this point.

Mr. SIMMONS. I think it has been understood that we would go back for the purpose of an amendment any Senator desired to offer.

Mr. NORRIS. Several amendments have gone over, and the Senator from Washington, who has also an amendment on the same subject, desires that this may go over, to be taken up when the other amendments that have been put over are taken up.

Mr. SIMMONS. The Senator might offer the amendment at any time, I understand.

Mr. WILLIAMS. If the Senator please, does he want to offer an amendment to our Federal inheritance tax?

Mr. NORRIS. No; the amendment that I offer will be in the way of an inheritance tax, but it comes right after the income-tax provision of the bill. It comes in right now.

Mr. WILLIAMS. Does the Senator desire to repeal the present inheritance tax and substitute a new one for it?

Mr. NORRIS. I was not aware that we have an inheritance tax.

Mr. WILLIAMS. Yes; we have an inheritance tax.

Mr. NORRIS. I have gone on the theory that we have not an inheritance tax.

Mr. WILLIAMS. Yes; it depends on how much the inheritance is.

Mr. SIMMONS. If the Senator from Nebraska does not desire to offer his amendment now, he can probably offer it to-morrow.

Mr. NORRIS. I thought, perhaps, it would be well to offer it now and let it be pending with the other amendments.

Mr. WILLIAMS. I would advise the Senator to consult the present law before offering it. It may be that he will find he has what he wishes on the statute book.

Mr. NORRIS. I am obliged to the Senator for the suggestion.

Mr. JONES. I should like to ask the Senator from Mississippi when the inheritance law was passed?

Mr. WILLIAMS. It was passed, I think, in connection with the corporation tax.

Mr. JONES. I think the Senator is mistaken.

Mr. SIMMONS. I think the Senator from Mississippi is mistaken about it. I do not think we have an inheritance tax.

Mr. GALLINGER. Mr. President, the regular order.

Mr. NORRIS. If it is agreeable to the Senator from North Carolina, I will offer the amendment now and let it be pending.

The VICE PRESIDENT. The Senator from Nebraska has a perfect right to offer the amendment now or at any other time.

Mr. NORRIS. I presume I have a right to offer it now and have it taken up now, but I do not want to do that.

Mr. JONES. I wish to suggest to the Senator from Nebraska that it might be well to have the amendment printed in the RECORD.

Mr. SIMMONS. The Senator can offer it now if he wants and it can go over, but the Senator can offer it at some later time.

Mr. NORRIS. I will offer it now and let it go over. I do not think it is necessary to have it read. It is quite long, and I will not ask that it be read.

Mr. SIMMONS. It is not necessary to have it read.

The VICE PRESIDENT. The amendment submitted by the Senator from Nebraska will be printed and lie on the table. The bill will be temporarily laid aside.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 6 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Saturday, August 30, 1913, at 11 o'clock a. m.

## NOMINATIONS.

*Executive nominations received by the Senate August 29, 1913.*

UNITED STATES MARSHAL.

F. R. Brenneman, of Alaska, to be United States marshal for the District of Alaska, division No. 3, vice Harvey P. Sullivan, whose term has expired.

RECEIVER OF PUBLIC MONEYS.

Joseph E. Terrell, of Hobart, Okla., to be receiver of public moneys at Woodward, Okla., vice Charles C. Hoag; term expired May 22, 1913.

PROMOTIONS IN THE ARMY.

COAST ARTILLERY CORPS.

Lieut. Col. Isaac N. Lewis, Coast Artillery Corps, to be colonel from August 27, 1913, vice Col. John P. Wisser, who accepted an appointment as brigadier general on that date.

Maj. John P Hains, Coast Artillery Corps, to be lieutenant colonel from August 27, 1913, vice Lieut. Col. Isaac N. Lewis, promoted.

Capt. Robert E. Wyllie, Coast Artillery Corps, to be major from August 27, 1913, vice Maj. John P. Hains, promoted.

First Lieut. James B. Dillard, Coast Artillery Corps (detailed captain in the Ordnance Department), to be captain from August 27, 1913, vice Capt. Robert E. Wyllie, promoted.

First Lieut. James K. Crain, Coast Artillery Corps, to be captain from August 27, 1913, vice Capt. James B. Dillard, whose detail in the Ordnance Department is continued from July 1, 1911.

INFANTRY ARM.

Lieut. Col. Daniel L. Howell, Nineteenth Infantry, to be colonel from August 27, 1913. Under the provisions of an act of Congress approved March 3, 1911, this officer is named for advancement in grade in accordance with the rank he would have been entitled to hold had promotion been lineal throughout his arm since the date of his entry into the arm to which he permanently belongs.

Lieut. Col. Walter K. Wright, Twelfth Infantry, to be colonel from August 27, 1913, vice Col. Thomas F. Davis, Eighteenth Infantry, who accepted an appointment as brigadier general on that date.

Maj. Abraham P. Buffington, Twenty-first Infantry, to be lieutenant colonel from August 27, 1913, vice Lieut. Col. Walter K. Wright, Twelfth Infantry, promoted.

Capt. Joseph C. Castner, Fourteenth Infantry, to be major from August 27, 1913, vice Maj. Abraham P. Buffington, Twenty-first Infantry, promoted.

First Lieut. Elverton E. Fuller, Twelfth Infantry, to be captain from August 27, 1913, vice Capt. Joseph C. Castner, Fourteenth Infantry, promoted.

Second Lieut. Alvin G. Gutensohn, Twenty-seventh Infantry, to be first lieutenant from August 27, 1913, vice First Lieut. Elverton E. Fuller, Twelfth Infantry, promoted.

PROMOTIONS IN THE NAVY.

Midshipman Neil H. Geisenhoff to be an ensign in the Navy from the 7th day of June, 1913.

Midshipman Rawson J. Valentine to be an ensign in the Navy from the 7th day of June, 1913.

POSTMASTERS.

ALABAMA.

J. T. Farmer to be postmaster at Samson, Ala., in place of A. W. Hawke. Incumbent's commission expired December 16, 1912.

Mollie P. Henderson to be postmaster at Enterprise, Ala., in place of James A. Chambliss. Incumbent's commission expired December 16, 1912.

H. O. Sparks to be postmaster at Boaz, Ala., in place of Joe R. McCleskey, removed.

CALIFORNIA.

Warren A. Bradley to be postmaster at Gustine, Cal. Office became presidential July 1, 1913.

Byron Q. R. Canon to be postmaster at La Mesa, Cal., in place of Robert K. Haines, resigned.

James F. Monroe to be postmaster at Upland, Cal., in place of George B. Hayden, removed.

CONNECTICUT.

J. Edward Elliott to be postmaster at Central Village, Conn. Office became presidential October 1, 1912.

FLORIDA.

A. Keathley to be postmaster at Brooksville, Fla., in place of Charles C. Peck. Incumbent's commission expired January 26, 1913.

M. H. Slone to be postmaster at Plant City, Fla., in place of Charles E. Barnes. Incumbent's commission expired December 17, 1912.

ILLINOIS.

John A. Freeman to be postmaster at Heyworth, Ill., in place of John S. Albin, resigned.

B. L. Greeley to be postmaster at Tremont, Ill., in place of J. H. Sipe, deceased.

Ira W. Metcalf to be postmaster at Momence, Ill., in place of Henry C. Paradis, removed.

L. T. Neff to be postmaster at Illiopolis, Ill., in place of A. P. Bickenbach, removed.

Fred Le Roy to be postmaster at Streator, Ill., in place of John W. Fornof, resigned.

Joseph F. Traband to be postmaster at Lebanon, Ill., in place of William L. Jones, removed.

Henry Werth to be postmaster at Breese, Ill., in place of John Otto Koch, resigned.

INDIANA.

John M. Nelson to be postmaster at Crothersville, Ind., in place of William Goecker, resigned.

IOWA.

Sebastian Dischler to be postmaster at Rock Valley, Iowa, in place of A. W. Hakes. Incumbent's commission expired April 23, 1913.

M. H. Kelly to be postmaster at Waterloo, Iowa, in place of William Robert Law. Incumbent's commission expired May 18, 1913.

J. S. Wildman to be postmaster at Blockton, Iowa, in place of N. O. Hickenlooper, resigned.

KENTUCKY.

J. B. Cray to be postmaster at Millersburg, Ky., in place of U. S. G. Pepper, resigned.

P. A. McIntire to be postmaster at Uniontown, Ky., in place of James W. Thomason, deceased.

MASSACHUSETTS.

John Adams to be postmaster at Provincetown, Mass., in place of Joseph A. West, deceased.

Martin B. Crane to be postmaster at Merrimac, Mass., in place of George E. Ricker. Incumbent's commission expired December 14, 1912.

MICHIGAN.

Frank D. Perkins to be postmaster at Flushing, Mich., in place of M. B. Halliwell, resigned.

William R. Teifer to be postmaster at Trenton, Mich. Office became presidential October 1, 1912.

MISSOURI.

Ross Alexander to be postmaster at Mercer, Mo., in place of Edward Gloshen, resigned.

L. R. Dougherty to be postmaster at Pacific, Mo., in place of Homer Calkins, resigned.

MONTANA.

L. H. Adams to be postmaster at Somers, Mont., in place of George Noffsinger, resigned.

W. H. B. Carter to be postmaster at Polson, Mont., in place of H. W. Douglas, resigned.

NEW JERSEY.

George Deiss, jr., to be postmaster at Bradley Beach, N. J., in place of Charles F. Burney. Incumbent's commission expired December 16, 1912.

Adolphus Landmann to be postmaster at Oradell, N. J., in place of Edmund Maples. Incumbent's commission expired July 23, 1913.

Henry Otto to be postmaster at Egg Harbor City, N. J., in place of Charles Morganweck. Incumbent's commission expired January 26, 1913.

NEW YORK.

E. A. Arnold to be postmaster at Katonah, N. Y., in place of David A. Doyle, deceased.

Leo R. Grover to be postmaster at Silver Springs, N. Y., in place of Albert H. Clark. Incumbent's commission expired February 9, 1913.

William Y. McIntosh to be postmaster at Pleasantville (late Pleasantville Station), N. Y., in place of William H. Marshall, to change name of office.

Hiram E. Safford to be postmaster at Cherry Creek, N. Y., in place of Charles J. Shults, removed.

NORTH DAKOTA.

John Foran to be postmaster at Mandan, N. Dak., in place of William Simpson. Incumbent's commission expired July 20, 1913.

Lydia Gullickson to be postmaster at Goodrich, N. Dak. Office became presidential July 1, 1913.

OHIO.

Wiley K. Miller to be postmaster at Shreve, Ohio, in place of Reno H. Critchfield. Incumbent's commission expired August 5, 1913.

OKLAHOMA.

J. M. Crutchfield to be postmaster at Tulsa, Okla., in place of Walter I. Reneau, removed.

W. H. Davis to be postmaster at Stilwell, Okla., in place of Sid Smith. Incumbent's commission expired June 12, 1913.

M. C. Falkenbury to be postmaster at Miami, Okla., in place of Harland J. Butler. Incumbent's commission expired January 14, 1913.

Walter T. Fears to be postmaster at Eufaula, Okla., in place of Bruce McKinley, resigned.

S. R. Hawks, jr., to be postmaster at Clinton, Okla., in place of Frank Gallop. Incumbent's commission expired January 28, 1913.

W. T. Kniseley to be postmaster at Glencoe, Okla., in place of Poe B. Vandament, resigned.

OREGON.

Esther Evers to be postmaster at Huntington, Oreg., in place of Herbert H. Mack, removed.

SOUTH CAROLINA.

Henry P. Tindal to be postmaster at North, S. C. Office became presidential January 1, 1913.

SOUTH DAKOTA.

Hugh J. McMahon to be postmaster at Philip, S. Dak., in place of A. W. Prewitt. Incumbent's commission expired June 14, 1913.

TEXAS.

T. J. Lilley to be postmaster at Whitewright, Tex., in place of A. H. Davis. Incumbent's commission expired July 20, 1913.

J. W. Whatley to be postmaster at Miami, Tex., in place of Charles S. Seiber, resigned.

WASHINGTON.

George P. Wall to be postmaster at Winlock, Wash., in place of John L. Gruber, resigned.

WEST VIRGINIA.

J. Carl Vance to be postmaster at Clarksburg, W. Va., in place of Sherman C. Denham, removed.

WISCONSIN.

J. P. Keating to be postmaster at Neenah, Wis., in place of Leonard H. Kimball, deceased.

George F. Mader to be postmaster at Winneconne, Wis., in place of George E. King. Incumbent's commission expired December 14, 1912.

Fred Seifert to be postmaster at Jefferson, Wis., in place of George J. Kispert, removed.

## CONFIRMATIONS.

*Executive nominations confirmed by the Senate August 29, 1913.*

MEMBERS OF EXCISE BOARD FOR THE DISTRICT OF COLUMBIA.

Henry S. Baker to be a member of the Excise Board for the District of Columbia.

Robert G. Smith to be a member of the Excise Board for the District of Columbia.

Joseph C. Sheehy to be a member of the Excise Board for the District of Columbia.

ASSISTANT SURGEONS IN THE PUBLIC HEALTH SERVICE.

Howard Franklin Smith to be assistant surgeon.

Lon Oliver Weldon to be assistant surgeon.

POSTMASTERS.

MASSACHUSETTS.

Edmund S. Higgins, Lynn.

MINNESOTA.

Emil A. Kurr, Sauk Rapids.
George Lien, Granite Falls.

OHIO.

Charles E. Gain, London.
Stewart D. Hazlett, Ada.
Adam H. Meeker, Greenville.

OKLAHOMA.

J. L. Avery, Lindsay.

## HOUSE OF REPRESENTATIVES.

FRIDAY, *August 29, 1913.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty God, our heavenly Father, with whom there is no variableness, neither shadow of turning; the same yesterday, to-day, and forever; help us as we thus pause amid the busy whirl and turmoil of life's activities to fix our thoughts upon the eternal values. "Truth crushed to earth shall rise again." Justice, though long delayed, shall assert itself, and love, the crown of all humanity, shall at last claim its own. May we be the humble instruments in Thy hands to hasten the day; and we will ascribe all praise to Thee, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Wednesday, August 27, 1913, was read and approved.

DESIGNATION OF SPEAKER PRO TEMPORE.

The SPEAKER. The Chair designates Mr. HAY to preside to-morrow.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 1620. An act to provide for representation of the United States at the Fourteenth International Congress on Alcoholism, and for other purposes.

BILLS ON THE PRIVATE CALENDAR.

Mr. DENT. Mr. Speaker, I ask unanimous consent that the House, as in Committee of the Whole House, consider the only two bills on the Private Calendar.

The SPEAKER pro tempore (Mr. HAY). The gentleman from Alabama [Mr. DENT] asks unanimous consent that the House, as in Committee of the Whole House, consider bills on the Private Calendar. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I understand the gentleman only makes that request about two bills.

Mr. DENT. Two bills. There are only two bills on the Private Calendar.

Mr. MANN. There are some other bills ordered reported.

Mr. FINLEY. Mr. Speaker, reserving the right to object, I would like to know the character of these bills.

Mr. DENT. They are simply to authorize the reappointment of two cadets to the Military Academy. They have been there and have been dismissed and want to be reappointed, and will be reappointed by their respective Congressmen.

Mr. FINLEY. On what grounds were they dismissed?

Mr. DENT. One of them had exceeded his demerit record by about nine points. The other failed in only one study by only a small fraction.

Mr. FERRIS. Mr. Speaker, I have no disposition to interfere with the gentleman from Alabama, but the Speaker will remember, and likewise the House, that for several days the San Francisco waterworks bill has been the unfinished business, and I would not want anything to displace it more than these two bills. It is still the unfinished business under the unanimous consent heretofore granted, and with that understanding I have no objection.

Mr. LEVER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Alabama if it is true that at the Military Academy they have a practice of forcing the cadets to testify at the end of the session whether or not they have any knowledge of any hazing having taken place during the session?

Mr. DENT. Mr. Speaker, I am not familiar with the situation and I could not answer the question of the gentleman. I do not know what the practice is there.

Mr. LEVER. The fact was brought to my attention, and I thought perhaps the gentleman might know something about it.

Mr. DENT. It has not been brought to my attention nor to the committee as far as I know.

Mr. LEVER. I have no objection.

The SPEAKER pro tempore. The Chair will state to the gentleman from Oklahoma that this unanimous consent will not interfere with the unanimous consent heretofore adopted. Is there objection? [After a pause.] The Chair hears none.

THOMAS GREEN PEYTON.

The first business on the Private Calendar was Senate joint resolution 52, to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy.

The Clerk read as follows:

*Resolved, etc.*, That the Secretary of War be, and he is hereby, authorized to appoint Thomas Green Peyton a cadet in the United States Military Academy.

The committee amendment was read as follows:

Add after the word "Academy," line 5, page 1, the following:
"*Provided*, That this shall not operate to increase the corps of cadets at said academy as now authorized by law."

Mr. DENT. Mr. Speaker, I ask unanimous consent to amend the resolution by striking out——

The SPEAKER pro tempore. The Chair will state to the gentleman that the vote is first on the committee amendment.

Mr. MANN. I would like to make an inquiry of the gentleman from Alabama. This bill and the other bill which will be next taken up each proposes the appointment of a certain individual as a cadet at West Point; and the committee has reported an amendment in each case providing that it shall not increase the number of cadets. As I understood from the gentleman in private conversation, based upon a letter from the Secretary of War, the only effect of these bills is, first, to waive the age limit and authorize a reinstatement in one case, but that the cadet will still have to be named by a Member of Congress?

Mr. DENT. That is absolutely true. That is the situation.

Mr. MANN. And still be a representative of one of the districts now authorized to have a cadet?

Mr. DENT. That is absolutely the fact.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. DENT] offers an amendment which the Clerk will report.

Mr. DENT. Mr. Speaker, I move to strike out, in line 3, the words "Secretary of War" and insert in lieu thereof the word "President."

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amend, line 3, by striking out the words "Secretary of War" and inserting in lieu thereof the word "President."

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. DENT].

The question was taken, and the amendment was agreed to.

The joint resolution as amended was passed.

ADOLPH UNGER.

The SPEAKER pro tempore. The Clerk will report the next resolution.

Mr. GARD. Mr. Speaker, I ask for the consideration of House joint resolution No. 111.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 111) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy.

*Resolved, etc.*, That the President be, and he is hereby, authorized to reinstate Adolph Unger as a cadet in the United States Military Academy.

Also the following committee amendment was read:

After the word "Academy," in line 5, insert the following:
"*Provided*, That nothing in this resolution shall operate to increase the number of cadets now allowed by law at the United States Military Academy."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The joint resolution as amended was passed.

On motion of Mr. DENT, a motion to reconsider the vote by which the several resolutions were agreed to was laid on the table.

HETCH HETCHY.

Mr. FERRIS. Mr. Speaker, under the order of business H. R. 7207 is the regular order, and before moving to go into